WEBEX Etiquette

Please mute your phone by pressing *6.

Please do not place your phone on hold at anytime. If you have music on your hold, it disrupts the meeting.

Questions

If you have a question, please

- **Unmute your phone by pressing *6**
- **State your name**
- **Ask your question**
- **Mute phone when complete by pressing *6**
- **Or type your question in the WEBEX browser**

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New Secondary-In-Path (SIP) Scheduling Priority UPDATE

June 16, 2014

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Welcome

Erin Mortimer

Sr. Scheduler Rep, Transportation & Storage Services

KM Interstate – East Region

Agenda

- Background
- Scheduling Priorities with SIP
- Screen Modifications
- **Redirects at Intraday Cycles**
- Notice changes
- Important Notes
- Q&A

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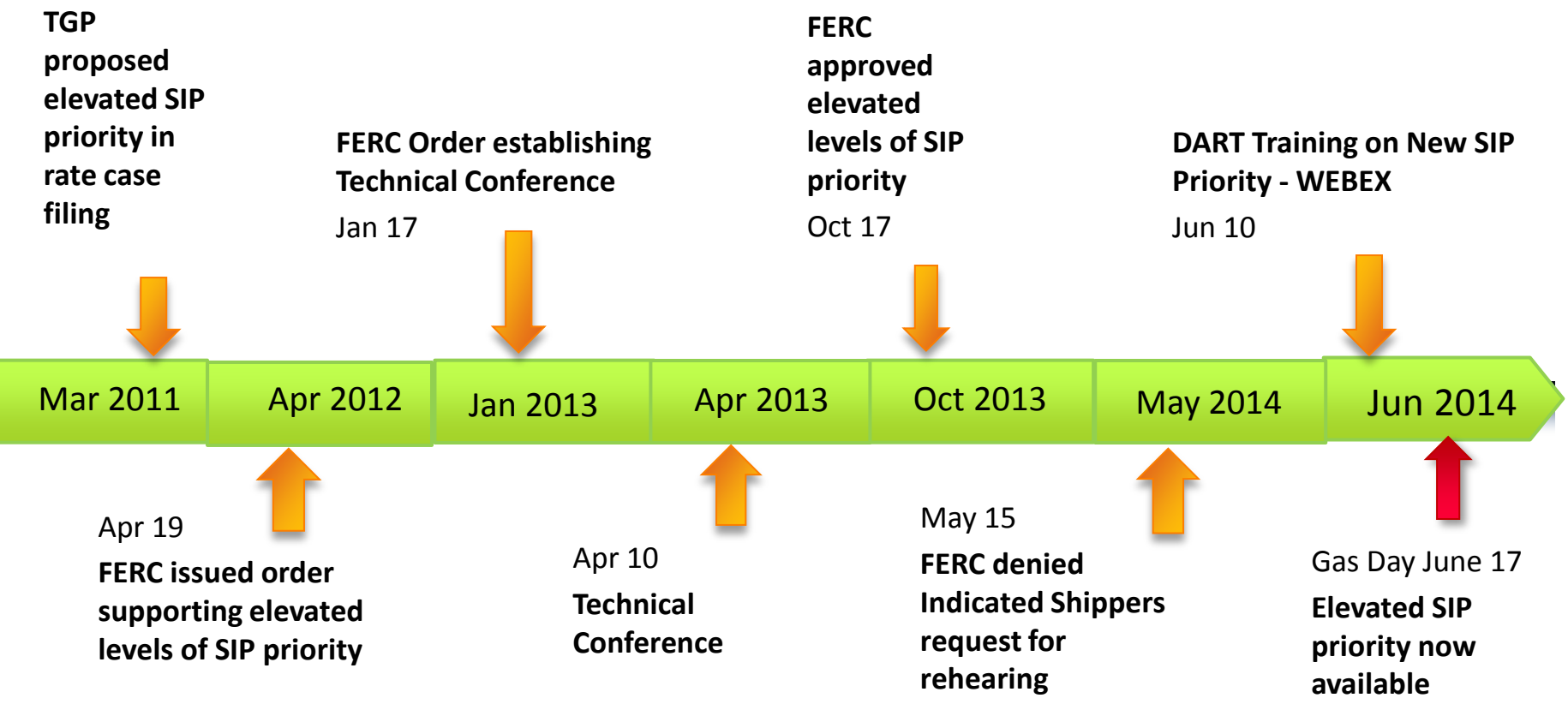
Opening Remarks

Sherri Glazebrook

Director, Transportation & Storage Services

KM Interstate – East Region

Background



Timeline – New SIP Service

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New Secondary-In-Path (SIP) Scheduling Priority

Cathy Soape Hutton

Manager, Transportation & Storage Services

KM Interstate – East Region

NEW Scheduling Priorities - *effective June 17, 2014 Timely Cycle*

Current Path Scheduling Priority

- PIP nominations – Primary receipt points to primary delivery points is highest priority
- SIP nominations
- SOP nominations
- IT nominations

New Path Scheduling Priority

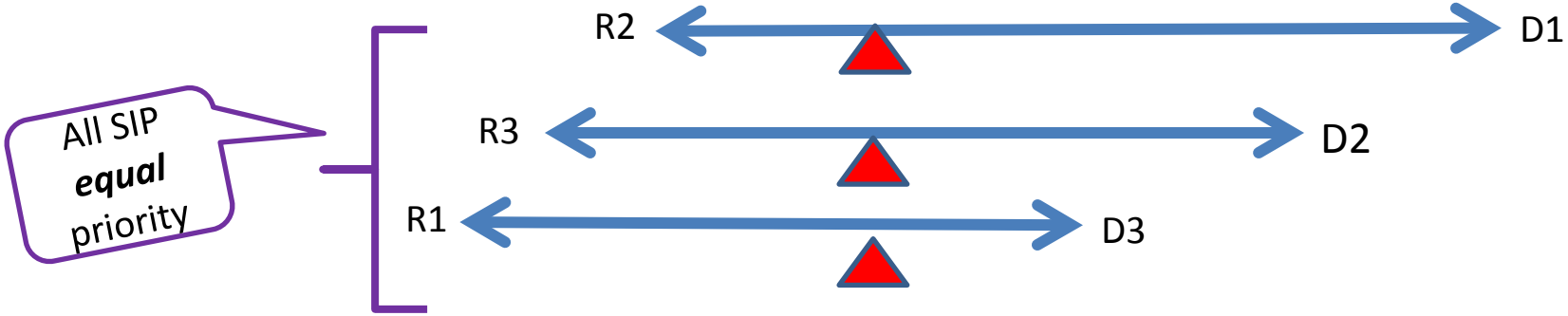
- PIP nominations – from ***primary*** receipt points to **primary** delivery points remains highest priority over all SIP nominations
- **Elevated SIP1** nominations – from *secondary receipt* points to ***primary*** *delivery* points, highest SIP priority displayed as **"SIPsp"**
- **Elevated SIP2** nominations – from ***primary*** *receipt* points to *secondary delivery* points displayed as **"SIPps"**
- **Other SIP3** nominations – from *secondary receipt* points to *secondary delivery* points displayed as **"SIPss"**

Example: ***Current*** In-Path Restrictions - Segments

Capacity Path – R1 to D1 (primary contractual path)

1. highest priority - Primary in the Path Nom (PIP) – Primary receipt to Primary delivery, Restriction in Path

2. Next priority - Secondary in the Path Nom (SIP) – Secondary Receipt to Primary Delivery, Secondary Receipt to Secondary Delivery, and Primary Receipt to Secondary Delivery through Restriction Path



Example: ***NEW*** In-Path Restrictions - Segments

NEW Priority Scheduling with elevated SIP service

Capacity Path – R1 to D1 (primary contractual path)

1. Primary in the Path Nom (PIP) – **Primary** receipt, Restriction in Path, **Primary** delivery

2. Secondary in the Path Nom (SP) – Secondary receipt, Restriction in Path, **Primary** Delivery

3. Secondary in the Path Nom (PS) – **Primary** receipt, Restriction in Path, Secondary Delivery

4. Secondary in the Path Nom (SS) – Secondary receipt, Restriction in Path, Secondary Delivery

- Point of Restriction

All Firm Scheduling Priorities for Path (Segment) Restrictions –with NEW SIP

Nomination Examples	Path Priority
Primary Receipt to Primary Delivery (PIP)	1
Secondary Receipt to Primary Delivery in path – SIP1 (SIP**sp**)	2
Primary Receipt to Secondary Delivery in path – SIP2 (SIP**ps**)	3
Secondary Receipt to Secondary Delivery in path – SIP3 (SIP**ss**)	4
Any out of path (SOP)	5

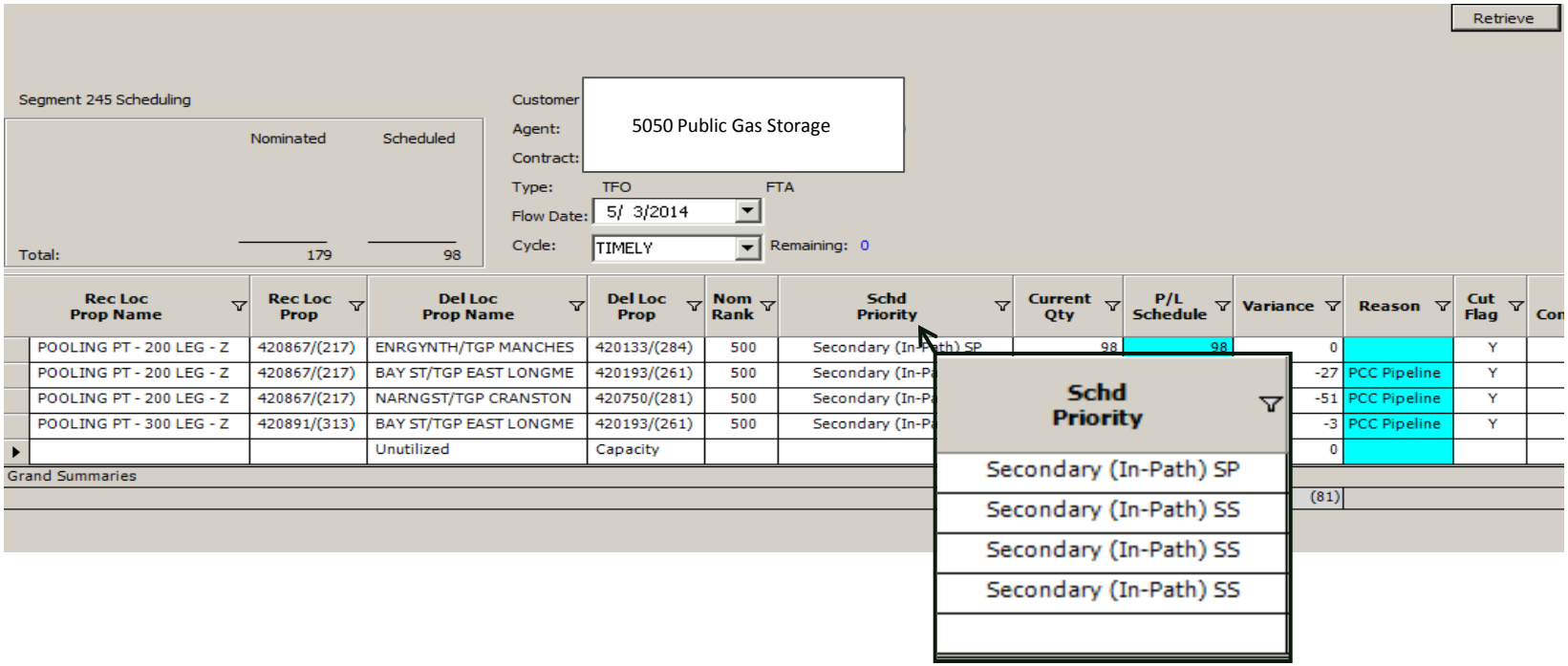
Lower number is highest priority

All Firm Scheduling Priorities for Point Restrictions

Contractual point priority (with path priority)	Receipt Restriction Priority	Delivery Restriction Priority
Primary Point in any path ***	1	1
Secondary Point in SIP1 – (SIP**sp**)	2	N/A
Secondary Point in SIP2 – (SIP**ps**)	N/A	2
Secondary Point in SIP3 – (SIP**ss**)	3	3
Secondary Point out of path	4	4

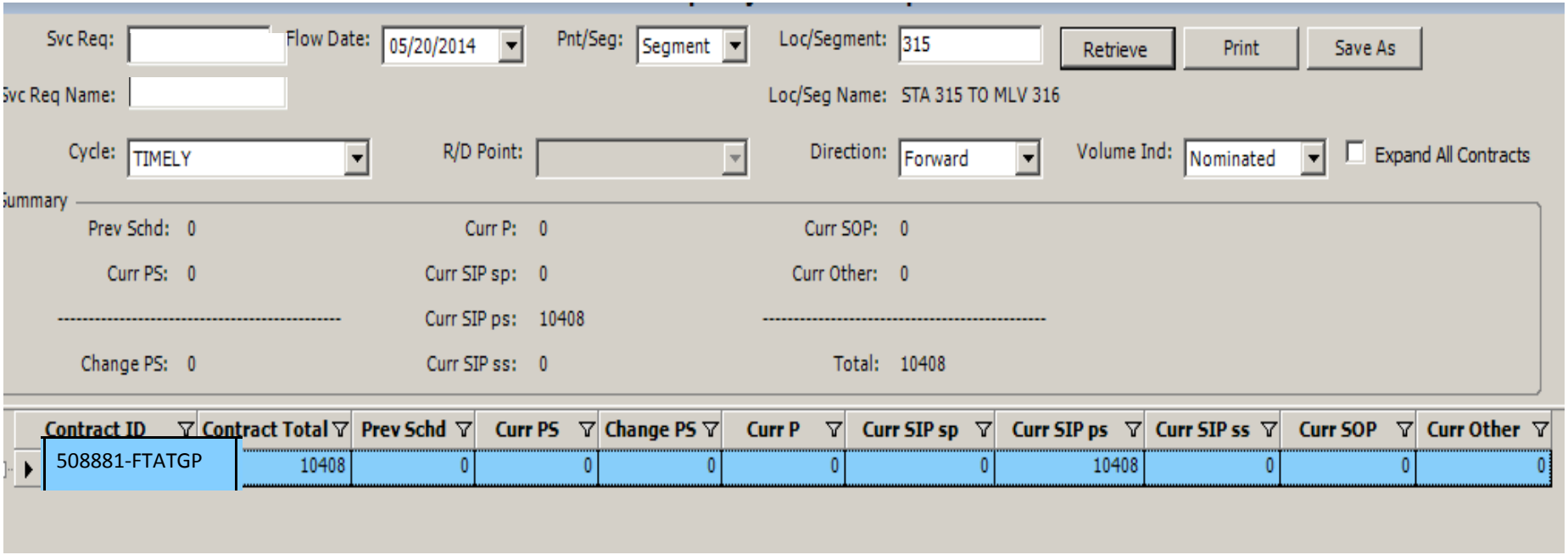
*** *At a point level restriction, **primary** point status is highest priority regardless of being in PIP, SIP, or SOP path priority. **Secondary** point priority may differ based on what path priority its in.*

Scheduling Cut Queue Screen



*Note: Scheduling Cut Queue Screen for both Points and Segments look the same; however receipt points will never have Secondary (In-Path)**ps** and delivery points will never have Secondary (In-Path)**sp***

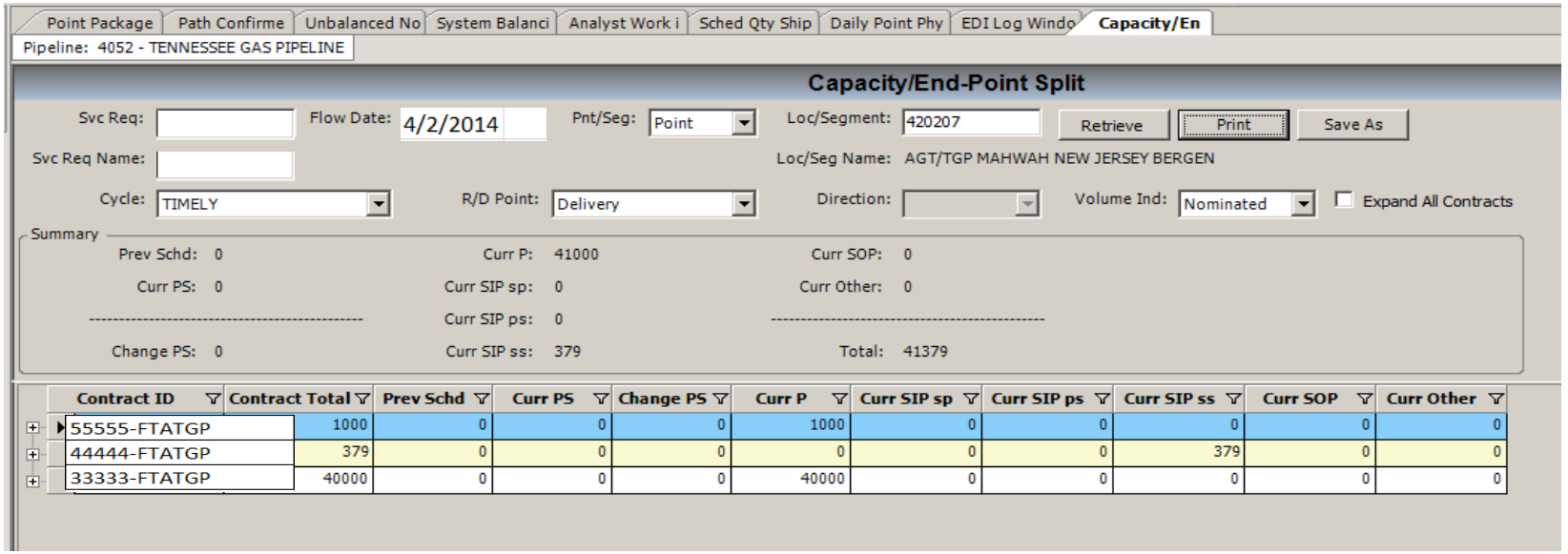
Capacity End Point Split Screen for Segments



PS – *Previously Scheduled*
sp – *secondary receipt to primary delivery*
ps – *primary receipts- to secondary delivery*
ss – *secondary receipt to secondary delivery*

Example: **Elevated** In-Path Restrictions - Points

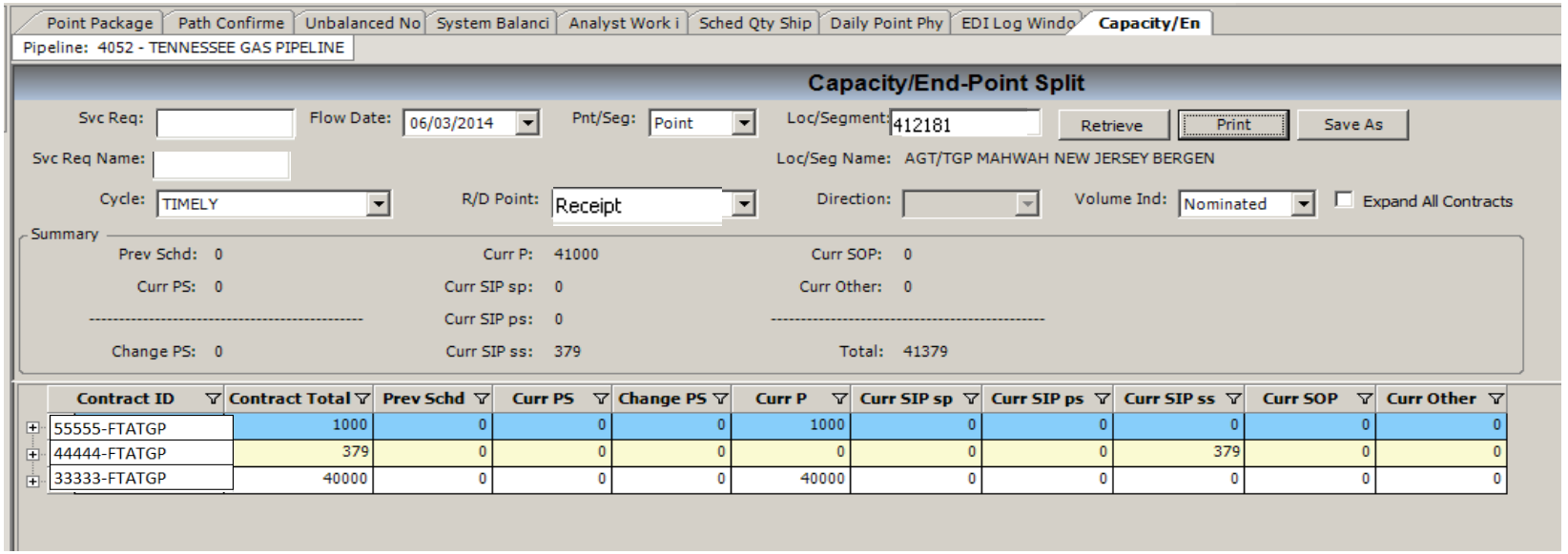
Primary Delivery Priority view in Capacity Split Screen



Note: *If viewing capacity from a **point** perspective, primary deliveries will always display as "P" or "PS" (previously scheduled) regardless if its on a PIP or SIP**sp** route*

Example: **Elevated** In-Path Restrictions - Points

Primary Receipt Priority view in Capacity Split Screen



Note: *If viewing capacity from a* ***point*** *perspective, primary receipts will always display as "P" or "PS" (previously scheduled) regardless if its on a PIP or SIP**ps** route*

Redirects – Nomination path changes at non-timely cycles

- **Redirects within contracts will be allowed for all in the path priorities of service**
- **Redirects within contracts from/to a higher or lower SIP priority *is allowed.* i.e. changing nomination paths from any SIP priority paths to a lower SIP priority after timely will still be considered previously scheduled (PS) at later cycles.**
- As today, redirects within contracts from in the path priorities to out of path priorities will not be allowed and will be considered new routes
- **Allows rank changes within a contract for in the path priorities of service**

Examples of PS (previously scheduled) nomination paths:

1. ***Timely Cycle nom of Secondary In the Path (SP) on K 1234***
   Redirect at Evening Cycle nom to Primary in the Path (PIP) on K 1234
2. ***Timely Cycle nom of Secondary In the Path (SS) on K1234***
   Redirect at Evening Cycle nom of Secondary In the Path (PS) on K 123
3. ***Timely Cycle nom of Secondary in the Path (SP) on K1234***
   Redirect at Evening Cycle to Secondary in the Path (SS) on K1234
4. ***Timely Cycle nom of Primary in the Path (PIP) on K 1234***
   Redirect at Evening Cycle to Secondary in the Path (SP) on K1234

Examples of Noms <u>Not</u> Utilizing PS (previously scheduled):

1. ***Timely Cycle nom of Primary in the Path (PIP) on K 1234***
   Redirect at Evening Cycle to Secondary out of the Path on K1234

Example of Notice Language

- RESTRICTIONS
- MLV 201 M/S (Segment 200 BH) – through 100% of SOP EC increases due to scheduled maintenance; 35,796 Dths
-
- STA 245 S/M (Segment 245 FH) – through approx 81% of **SIPss** EC increases due to scheduled maintenance and nominations in excess of capacity; 404,292 Dths
-
- STA 307 M/S (Segment 307 BH) – through approx 90% of **SIPsp** EC increases due to scheduled maintenance; 181,974 Dths
-
- STA 315 M/S (Segment 315 BH) – through 100% of **SIPps** EC increases due to nominations in excess of capacity; 103,997 Dths
-
- Mahwah Delivery Meter (Pin 420207) - through approx 37% of **SIPps** due to nominations in excess of capacity; 157,915 Dths

Rationale

- Aligned with Commission policy and precedent
  - Maintains priority of Primary In-the-Path nominations
  - Recognizes fundamental difference between primary delivery point service to LDCs and end-use customers
  - Supports access to diverse supply sources

  Recognizes importance of secondary access to new emerging supply points (e.g., pooling points, interconnects, well heads) that may not be a primary receipt

  Enhances value of supply pools on TGP

  Increases value of primary contract rights

Important Notes

- TGP reserves sufficient capacity to meet firm contract obligations between primary receipt and primary delivery points
- Does not impact in-the-path firm service absent a *force majeure* event or significant maintenance
- Is not intended to address any particular constraints and TGP can not predict the likely location of a capacity constraint which can occur at any place at anytime
- Nonetheless, such outages occur and it is imperative that the tariff provide a just and reasonable capacity allocation methodology
- The Commission appropriately characterizes this as a policy issue
- The issue is not amenable to technical, engineering, operational or other factual evidence to provide clarity
- Cures the deficiency of its prior SIP proposal with regard to degradation of primary to primary service
- The Commission clarified that a scheduling proposal that distinguishes between receipt and delivery services on the basis of the disparate impact on consumers may be supportable
- Provides a just and reasonable preference to primary delivery service over primary receipt service based on the disparate nature of LDC and end-use needs
- Is consistent with Texas Eastern precedent

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Questions and Comments