NATIONAL FUEL GAS DISTRIBUTION CORPORATION

PRODUCTION POOL OPERATOR MANUAL

Revised August 2021

Note:

Information contained in this manual is meant to be used as a reference.
It is not designed to supersede information contained in the GTOP or Tariff.

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SETTING UP PRODUCTION POOLS

Creating a New Production Pool

The Market Pool/Production Pool Request Form is used for the initial setup of a new market pool or a new production pool. This form is used when requesting creation of a new, first-time pool, and required for initial setup of a new market pool or a new production pool. To initiate a new pool for use in TSS, complete the Market Pool/Production Pool Request Form that can be found at the following link:
https://www.nationalfuel.com/business-partners/operator-manuals-and-forms/
Email the completed form to TSSsupport@natfuel.com

For Business Parties already transporting gas on NFGDC, new pools should be established as early as possible in the month prior to the desired start month, but no later than thirty (30) business days before the new month begins. Due to training considerations, a one-month advance notice to establish new pools is required for those Business Parties new to transporting gas on NFGDC. It is always best to establish new pools as early as possible before the new month begins. Transportation Services will assign the name of a new pool and will notify the Pool Operator of the pool name.

Month-to-Month Setup of Production Pools

Brand new production pools must first be established and named by Transportation Services before the PPO can work with the pool. Production pools for the coming month must be set up each month by Production Pool Operators (PPO) according to the TSS Calendar posted on the NFGDC website:
https://www.nationalfuel.com/business-partners/news-and-announcements/

Some important things to keep in mind:

- Monthly meters are not permitted in daily production pools.
- Monthly production pools cannot deliver to daily market pools.
- Daily-metered production pools can deliver to daily or monthly market pools.
- New meter sets can be added to a production pool during a month by contacting Transportation Services. Gas Measurement approval of the meter set installation is necessary before the meter can be added to TSS.
- A production pool operator can schedule up to 105% of the production pool Production Daily Quantity (PDQ) to market pools. The PDQ is an estimate of what the meter is expected to produce.
- The maximum tolerance of 105% of the PDQ for monthly and daily-metered production pools is strictly enforced. If gas scheduled for delivery out of a production pool on a given gas day is more than the inflated PDQ, the production pool scheduled nominations to market pools will be cut.
- The PDQ is based on three algorithms: 1.) Actual volume from same month last year, 2.) Actual volume from the most recent prior month actual, 3.) or zero.
- If the PPO does not agree with the PDQ, the PPO can change a PDQ by less than or equal to 20% by entering a 'PDQ Override Vol per day' on the EPPAM screen in TSS. The PDQ change request must be submitted before 1:15 PM the business day before the gas day the change becomes effective.
- A request to change a PDQ by greater than 20% must be entered via the 'PDQ Override Request Details' button on the EPPAM screen in TSS. The PDQ change request must be submitted before 1:15 PM the business day before the gas day the change becomes effective. All requests are subject to review.

The responsibility for setting up and maintaining production pools can be delegated (see Delegations in the TSS Operations Manual). Shortcut **EAPPS** allows setup of all local production pools at one time from one screen. By setting up production pools through this shortcut, all meters and PPSI and PPSE entries from the current month will be carried over into the upcoming month that is being set up. See screenshot below:
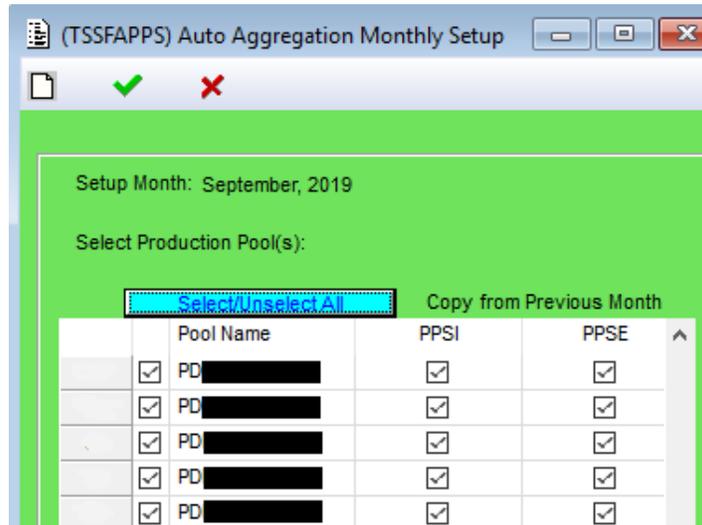
Note that **market pool** setup through EAAMS or EMPAM must be completed prior to running EAPPS. Otherwise, the EPPSI and EPPSE entries cannot be created because the market pools don't exist for the upcoming month. From the EAPPS screen, production pools can be individually selected for the upcoming month, or there is a "Select/Unselect All" box. The PPSI/PPSE check boxes are already filled in by default. If the PPSI or PPSE entries for the upcoming month are not to be used based on the current month, deselect the appropriate checkboxes. Please note, if any updates to the meter list need to be made, navigate to the EPPAM screen to add or delete meters. Likewise, if updates to the PPSI/PPSE entries are needed, navigate to the EPPSI/EPPSE screens to manually make those changes. The EAPPS shortcut will only carry over entries from the current month to the upcoming month. Once all selections have been made on the EAPPS screen and pool setup is ready, click on the green checkmark. A job will run in TSS that will email the following report confirming pool setup. **Please be certain to review this report to ensure the production pools and the PPSI/PPSE entries have been created as requested.**

If there are any Local Production pools that are not being used and can be closed, please let Transportation Services know. This will help prevent setting up pools that have been inactive for long periods of time and prevent delays during the pool setup process.

To verify production pool information and to set up production individual pools for the next month, select the following:

- Customer Activities
- Nomination
- Pool Configuration
- Assignment – or enter shortcut **EPPAM**

At the **Specify Production Pool Here** screen, select the green check mark. Note: On the **Specify Production Pool Here** screen, a "pick list" will appear if the PPO owns, or represents through delegation, more than one Production Pool.

- To add a month, select **Add Month**.
- Confirm that the meters listed are correct (no extra meters are listed and none are missing). Add or delete meters as needed. Meters roll forward from the last valid month. Select the **Display Comparison** button to view meter assignment changes from one month to the other.
- Meters can be sorted by Meter Number or Description by selecting the box at the top of either of these columns.
- For new pools, set the **Gas Delivery Order Code**. This determines the order in which the actual gas produced is allocated out of the production pool. The Gas Delivery Order Code rolls forward from the last valid month. The choices are:
  - o **Purchase First** – the gas production of meters with a purchase contract in place will be allocated first from the production pool.
  - o **Non-Purchase First** – production meters without a purchase contract in place will be allocated first from the production pool.
  - o **Pro-Rata** – the gas allocated to market pools from each production meter is proportional to the total gas produced in the production pool.
  - o **Meter Order** – the PPO determines the order in which gas is allocated from the meters. The Gas Delivery Order column can only be populated when the Gas Delivery Order Code of "Meter Order" is chosen. The Gas Delivery Order is only used for end of month allocation (see Gas Delivery Order section below).

All production pools must net to zero once actual volumes produced are known at month-end closing. When actual volumes produced exceed volumes scheduled out of the production pool during the month, an excess of production pool gas exists. These volumes are net to zero by setting the **Excess Allocation Code**. This determines how the excess gas remaining in the production pool (if any) is handled. The Excess Allocation Code field rolls forward from the last valid month. The choices are:

  - o **Purchase All** – a pre-arranged spot purchase contract will be executed. All excess gas will be purchased from the production pool. No excess gas will move to any Market Pool.
  - o **Allocate All** – no pre-arranged spot purchase contract is in effect. Production Pool excess should not be purchased. All excess gas will be allocated via Production Pool Excess (PPE) Predetermined Allocation (PDA).
  - o **By Meter Type** – meter type dictates how excess is handled. All excess purchase meter gas will be purchased from the Production Pool. All non-purchase meter gas will be allocated via PPE PDA to the designated Market Pool(s).

- For PA daily production pools only, select either the DMT or MMNGS button to define the type of pool the excess local production will be going to under the **Excess Pool Type**.
- **PDQ Override Volume** field will normally be blank unless a request is made to change the PDQ. This field is used by Transportation Services personnel or by a PPO operator to change the PDQ by less than the 20% tolerance range. Refer to PDQ change procedures.
- **PDQ Override Description** field will normally be blank unless a request is made to change the PDQ. This field is used by the PPO operator to provide Transportation Services with a valid reason for changing the PDQ, and is reviewed prior to Transportation Services approving PDQ requests.
- **PDQ Override Request Details** button is used to view PDQ changes or to enter PDQ changes in excess of 20%. Refer to PDQ change procedures.
- Set **Active Confirmation?** box to Active status by checking the box or leave blank for Passive confirmation (see Active vs. Passive Confirmations section). If Active confirmation is chosen, it will be necessary for the Production Pool Operator to go into TSS five times per day (once before each scheduling cycle) in order to manual confirm the volumes that should be allowed to flow. Active confirmation is not recommended.
  - NOTE: PPOs cannot switch between Active and Passive during a month. This election is made and cannot be changed once the month begins. If an Active PPO fails to go into TSS and confirm nominations on a given day and does not have PSI information filled in, nominations from the production pool to the market pool will not be scheduled and will be cut to zero (0).

- The **Valid Pool?** field will be blank until Transportation Services performs a batch process that validates all production pools. The Validation Process checks to make sure that meters are not in multiple pools. Once the Validation Process is complete, a "Y" will appear in the **Valid Pool?** field.
  - Note: It is critical that all PPOs check that the **Valid Pool?** field has a "Y" before the new month begins. This can be accomplished by selecting Inquire Month on the Production Pool Assignment Maintenance screen. Nominations against an invalid Production Pool will not be allowed. In addition, it is the production pool operator's responsibility to verify the accuracy of the PDQ before the new month begins.

- The Gas Delivery Order column can be numbered to set the order in which gas is allocated from each meter. Non-ordered meters will be treated on a pro-rata basis. If a field is left blank, it will be the lowest order. Zero is not a valid entry. Orders that are the same will be prorated. If there is a mixture of orders (i.e. 1,2,3,3,3, and several blanks) the Market Pools with the order of three (3) will be prorated among the 3's, and the blanks will be last and prorated among the blanks. This column is only available when Meter Order is chosen under Gas Delivery Order Code.
- Once all the information is appropriately filled in, select the Save button.
- Exit the menu by selecting the red X button.

NOMINATION TIMELINE
Eastern Standard Time

12:00am |----------------------------- **Calendar Day 1** --------------------------------12:00am |------ **Calendar Day 2**

|-- Gas Day 1 ---| |---- Gas Day 2 ----

Gas Flow Times: 10:00am   3:00pm   7:00pm   11:00pm   10:00am

Nomination   11:00am   2:00pm   3:30pm   7:00pm   8:00pm
Deadlines: **Intraday 1**   **Timely**   **Intraday 2**   **Evening**   **Intraday 3**
                     Gas Day 1   **Gas Day 2**   **Gas Day 1**   **Gas Day 2**   **Gas Day 1**
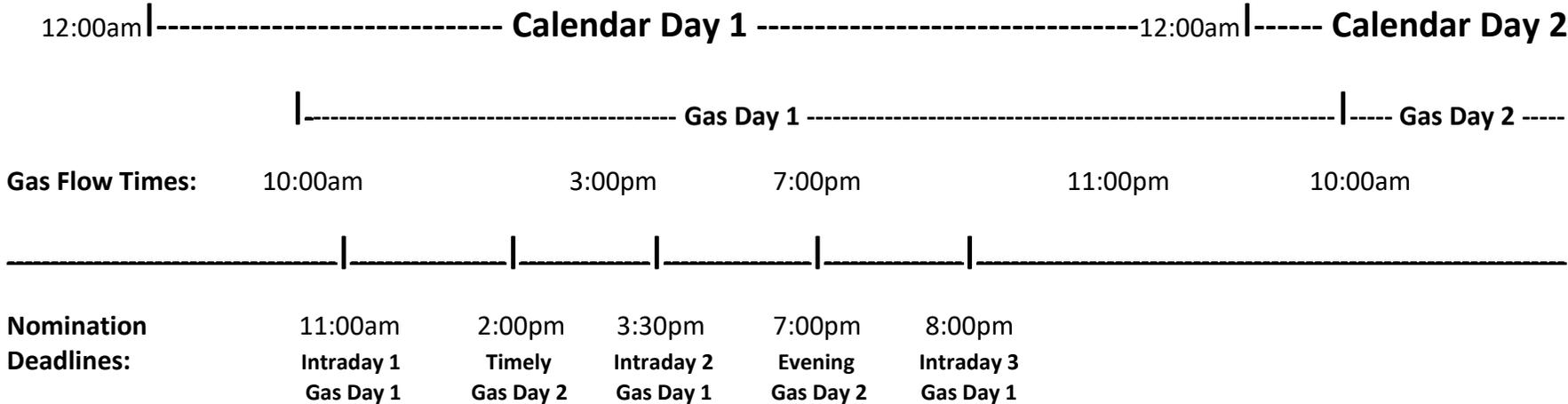
Note: Scheduling gas is an interactive process. All parties are best served when nominations are entered at the earliest possible time.

Gas Flow Times:

  A) Timely gas flow begins at 10:00 AM next day.
  B) Evening gas flow begins at 10:00 AM next day.
  C) Intraday 1 gas flow begins at 3:00 PM current day.
  D) Intraday 2 gas flow begins at 7:00 PM current day.
  E) Intraday 3 gas flow begins at 11:00 PM current day.

Final Market Pool Confirmation Report will be available by:

  1) 6:00 PM for Timely Cycle
  2) 10:00 PM for Evening Cycle
  3) 2:00 PM for Intraday 1 Cycle
  4) 6:30 PM for Intraday 2 Cycle
  5) 11:00 PM for Intraday 3 Cycle

PRODUCTION POOL PSI MAINTENANCE

TSS uses Production Pool Predetermined Scheduling Instructions (PSI) during the daily scheduling process. The daily scheduling process determines the volume of gas that is estimated to flow based on various TSS parameters and rules. This information is not used for monthly allocations. These scheduling instructions are used to determine which market pools will have their gas scheduled in the event cuts are needed. This information is only used when the PPO does not actively confirm a nomination. The EAPPS shortcut will carry over entries from the current month to the upcoming month. Monthly allocations are driven by PPS/PPE (see PPS/PPE section).

- PSI Maintenance can be performed immediately after Transportation Services declares a production pool as valid.
- Market pool(s) can be added to or deleted from the list during the month.

    - Customer Activities
    - Flowing Gas
    - Predetermined Allocation
    - EPPSI – Prod Pool PSI Maintenance
    - Enter desired Processing Month and Pool Name

- To make entries on this screen, select the **New** button.
- On the **Specify Month and Market Pool** screen, choose the green checkmark.
- Pick the pool(s) that are authorized to receive gas from the production pool. This needs to be established each month. Note that the listing of market pools from a previous month does NOT automatically roll forward, but may be copied forward by selecting the **Copy Prev Month PSI Info** button. If no list is provided, or if a market pool name is omitted from the list, the nominations will be cut to zero (0) for that market pool.
- Fill in the **PSI Rank** column. PSI Rank represents the order in which market pools will have gas scheduled. #1 is the first to receive its scheduled gas. If a PSI Rank field is left blank, it will be the lowest rank. Ranks that are the same are prorated. If there is a mixture of ranks (i.e. 1,2,3,3,3, and several blanks) the market pools with the rank of three (3) are prorated among the 3's, and the blanks are last and prorated among the blanks.

    - Note: In order to assure scheduling of deliveries to daily market pools, they should be ranked ahead of all other market pools.

- The purpose of the **Max Nom Vol field** is to allow the PPO to restrict the maximum scheduled quantity of gas per market pool on the PSI List (the above EPPSI screen). A Max Nom Vol is not required for every market pool in the market pool list. If no Max Nom Vol is entered, the scheduling of nominations is based on PSI Rank. Please note, however, that the maximum total nomination that can be scheduled from any production pool to any group of market pools is always limited to the **Inflated PDQ** as determined each month by Transportation Services.
- Once all the information is appropriately filled in, select the Save button.
- Exit the menu by selecting the red X button.

If PSI information is not filled in, gas scheduled from a passive production pool will be cut to zero (0). Active Confirmers must have PSI information filled in for those days when the PPO does not go in to actively confirm.

ACTIVE VS. PASSIVE CONFIRMATIONS

By electing to use Active Confirmations, a PPO has the ability to explicitly approve the volumes requested from a production pool. The election is initially made at production pool setup.

NOTE: If Active Confirmation has been elected, but no active confirmation is made for a cycle, and if no PSI information has been provided, nominations from the production pool **WILL NOT** be scheduled.

- When the Active Confirmation election is made, the PPO can go into TSS each day and confirm the nominations made from the production pool. If a confirmation is made through **EPPAC: Production Pool Active Confirmation**, any PSI information for that nomination is ignored.
- Transportation Services suggests that confirmations be made as early as possible.
- To Actively Confirm, choose the following:

    - Customer Activities
    - Nominations
    - Confirmation
    - EPPAC: Production Pool Active Confirmation

- On the **Specify Prod Pool Here** screen, chose the green checkmark. A pick list will appear if more than one production pool is represented.
- Choose **Cycle** to be Actively Confirmed. Note the following Active Confirmation windows for all cycles (reference the Nomination Timeline for further information).

    - Timely – 2:00 PM to 2:30 PM for Next Gas Day
    - Evening – 7:00 PM to 7:15 PM for Next Gas Day
    - Intraday 1 – 11:00 AM to 11:30 AM for Current Gas Day
    - Intraday 2 – 3:30 PM to 4:00 PM for Current Gas Day
    - Intraday 3 – 8:00 PM to 8:30 PM for Current Gas Day

- Select **Retrieve** – a box will appear showing the remaining time for completion of this transaction.
- **Gas Date** will be automatically populated.
- The **Inflated PDQ** field is automatically filled in for reference. The number in this field is "inflated" to 105% of the calculated PDQ for monthly and daily metered production pools.
- The **Total Confirmed Volume** is the sum of all nominations for the current Gas Day, until the TSS Scheduling Process has been completed for the current cycle.
- All market pools that have nominated to receive gas from a production pool will be listed for the Gas Day and cycle. All nominations made by each market pool for the current and previous cycles of this Gas Day will appear in the **Delivery Vol** box.
- The **Minimum Vol** column will be populated if the confirmation is for Intraday 1, Intraday 2, and Intraday 3 nominations. Note that the **Min Nom Vol** rules are applied.
- Fill in the appropriate Confirmed Volume(s). These volumes can be changed multiple times until the Active Confirmation window closes. The **User Conf** box is auto-populated when the Active PPO enters data in the Confirmed Volume column.
- Select the save button. The time remaining for completing this transaction will again appear.
- When the **Active Confirmation** box is **NOT** selected, the PPO is, by default, a Passive Confirmer. When Passive Confirmation is chosen, the ability to confirm production pool nominations on a daily basis through the Active Confirmation screen (as described above) is not available. Therefore, the most recent production pool PSI Information (**Market Pool List**, the **PSI Rank** and **Max Nom Vol**) will prevail and is used to schedule gas to the market pools.
- Both active and passive PPOs can change production pool PSI information during a month. Changes are prospective only.

PRODUCTION POOL PPS/PPE MAINTENANCE

Production Pool Shortfall (PPS) and Production Pool Excess (PPE) are used only during the daily and monthly allocation processes. The allocation process takes into account actual consumption and actual delivery volumes as they become available throughout the month for certain services and after the month is over for all types of services. This information is **NOT** used for daily scheduling purposes.

- To enter PPS/PPE information select:

    1. Customer Activities
    2. Flowing Gas
    3. Predetermined Allocation
    4. EPPSE: Prod Pool PPS/PPE Maintenance

- Select the appropriate month.
- For monthly production pools, PPOs must have PPS and PPE PDA information entered by seven (7) calendar days following the end of each month.
- For daily production pools, PPOs must have changes to PPS information entered by 10:00 AM ET on the day that gas flows.
- To enter this PPS information, select the **New** button, and select the desired market pool(s).
- Enter **PPS Order**, which represents the order in which market pools will be shorted in the event that gas actually produced by the meters in the production pool is less than the sum of scheduled nominations by the market pools. For example, the market pool designated #1 is the first to receive its scheduled production pool gas. Orders that are the same or blank will be prorated. Blank is the lowest rank. If there is a mixture of orders (i.e. 1,2,3,3,3, and several blanks) the market pools with the order of three (3) are prorated among the 3's, and the blanks are last and prorated among the blanks. Zero in this field is not allowed.
- Enter **PPE %**. This field directly relates to the Excess Allocation Code that was chosen on the **Add Prod Pool Month (shortcut EPPAM)** screen.
- If "**Purchase All**" is chosen on the EPPAM screen, this column is not applicable and need not be filled in since all excess gas will be purchased by NFGDC.
- If an Excess Allocation Code of "**Allocate All**" is chosen on the EPPAM screen, all excess gas will be allocated via this Production Pool Excess (PPE) Predetermined Allocation (PDA) to the market pools specified.
- If "**By Meter Type**" is chosen on the EPPAM screen, all Excess Purchase Meter gas will be purchased from the production pool, all Non-Purchase Meter gas will be allocated via the PPE.
- Excess production from New York **monthly or daily metered** production pools can be allocated to STBA pools or purchased by the Company but it cannot be allocated to DMT pools.
- Excess production from Pennsylvania **monthly metered** production pools can be allocated to MMNGS pools or purchased by the Company but it cannot be allocated to DMT pools.
- Excess production from Pennsylvania **daily metered** production pools may be allocated under one of the following options each month:

    1. **Allocate all excess each day to DMT market pools.** Excess will be distributed to DMT customers in the following order:

        - Suppliers may prioritize which DMT Customers are to receive excess on a percentage basis in TSS.
        - Prorated based on allocated, scheduled, or nominated volumes to individual DMT customers.

- Prorated based on DMT customer usages.
- Prorated based on number of DMT customers in the market pool.
- No excess will be available to MMNGS Groups.
- PPOs electing this option must do so in TSS at least one business day prior to the start of the month.
- Once elected, this option cannot be changed for the month.

2. **Allocate all excess to MMNGS groups at the end of the month.**

- PPOs have until 7 days after the end of the month to select this option via TSS.

3. **Company purchase of all excess.**

- PPOs have until 7 days after the end of the month to select this option via TSS.
- Enter a PPE % for each market pool that is to receive excess - the sum of the PPE percentages must total 100%.
- Market pools with blank PPEs will not receive any production pool excess.

- Select the Save button.
- Exit the menu by selecting the red X button.

PRODUCTION POOL CONFIRMATION REPORT

The Production Pool Confirmation Report shows a list of delivered, confirmed, and scheduled quantities for each market pool nomination from the production pool. It also shows Percent of PDQ Confirmed. The Percent of PDQ Required is the minimum tolerance for nominations made by all market pools vs. the PDQ.

Interim reports can be viewed prior to the times listed below, but the final Production Pool Confirmation Report will be available after:

- 6:00 PM for Timely Cycle
- 10:00 PM for Evening Cycle
- 2:00 PM for Intraday 1 Cycle
- 6:30 PM for Intraday 2 Cycle
- 11:00 PM for Intraday 3 Cycle

- To run the Production Pool Confirmation Report select the following:

  - Customer Activities
  - Nominations
  - Confirmation
  - Scheduled Quantity
  - EPPCR: Production Pool Confirmation Report

- Select the cycle from the drop-down box for whichever Confirmation Report is desired.
- Enter the date of the Gas Day for the desired report.
- Select the **Run** button.

Note: The PDQ field shows the actual calculated PDQ. The Inflated PDQ field represents the maximum volume allowed for scheduling purposes, which is 105% of the calculated PDQ for monthly and daily-metered production pools.

REPORTING

To obtain Local Production meter volume data in .csv format, select the following:

- Customer Activities
- Nominations
- ELPMD: Local Production Meter Data Report
    - Note: This shortcut can be run throughout the month.

To obtain Production Pool Allocation statements detailing total monthly production by meter, select the following:

- Customer Activities
- Flowing Gas
- Allocation
- EPMDA: Monthly Prod Pool Allocation Sta
    - Note: Statements are available approximately the 9th business day of the month.

To obtain Production Pool Allocation statements detailing production allocated to market pools by day, select the following:

- Customer Activities
- Flowing Gas
- Allocation
- EPPAS: Prod Pool Allocation Statement
    - Note: Statements are available approximately the 9th business day of the month.

See the **Reports Manual** for examples of the available reports.

AUTOMATICALLY GENERATED REPORTS/FILES VIA E-MAIL

There are a number of reports that a TSS user can receive automatically via e-mail. This is accomplished by performing the following steps:

- Customer Activities
- Business Party Information
- Contact
- ECNTM: Contact Maintenance

On this screen, the TSS user can select to receive any or all of the following reports automatically via e-mail by checking off the applicable boxes:

ADDQ, CDUS, CMUS, DDQD, EDDQ, GISC, LPMD, MCSH, MMDA, MMTS, NDMT, and PMDA

See the **Reports Manual** for examples of the available reports.