

# TEXAS GENERAL LAND OFFICE (GLO)

## Glossary of Terms

**Balancing:** The process of managing a customer's natural gas supply to match the customer's daily usage with the customer's confirmed pipeline delivery of natural gas supplies.

**Basis:** The value differential in price between two points. (i.e., NYMEX vs. Houston Ship Channel)

**BTU:** One British Thermal Unit: The quantity of heat required to raise the temperature of one pound of water, one degree Fahrenheit.

**Cashout:** Cost of liquidating the monthly imbalances.

**Curtailment:** Notification that end-user's gas might be cut short or interrupted per the contract requirements. A reduction in gas deliveries or gas sales necessitated by a shortage of supply.

**Daily Imbalance:** Difference between the nominated volume and the actual daily usage.

**Firm Service:** The highest quality sales or service offered to customers — no planned interruption. This includes both a firm commodity and transportation.

**City Gate:** Physical location where gas is delivered by an intrastate pipeline to a local distribution company.

**Interruptible Service:** Gas service that is subject to interruption at the option of any party. Tariffs or rates for interruptible service are cheaper than firm.

**Monthly Imbalance:** Accumulation or total of daily imbalances for the month.

**Nomination:** A request for a physical quantity of gas to be delivered at a specific point.

**LDC:** Local Distribution Company — the regulated utility.

**Line Loss:** A percentage of gas received by a pipeline or LDC that is retained to compensate for lost and unaccounted for gas in a pipeline system.

**MCF:** 1,000 cubic feet.

**NYMEX:** New York Mercantile Exchange: The commodity exchanges based in New York where natural gas futures contracts and other energy futures are traded.

**Telemetry:** Technology that allows remote measurement and reporting of natural gas