



Gas Industry Standards Board

1100 Louisiana, Suite 3625, Houston, Texas 77002
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Home Page: www.gisb.org

TO: Advisory Committee Members, Board Members, Executive Committee Officers
FROM: Rae McQuade
RE: Notes From the Advisory Committee Meeting on May 7, 2001 in Austin, Texas
DATE: May 21, 2001

1. Welcome & Administrative Items

Mr. Bill Boswell opened the meeting, welcoming the committee and the attendees to Austin. He thanked our sponsors - Mr. Marty Patterson, (Idaho Power, IDACORP Energy Solutions) and Ms. Sylvia Munson, (PanCanadian Energy Services). Mr. Patterson is the General Manager of Marketing Operations for IDACORP Energy Solutions and is a long-standing member of the GISB Board of Directors. Ms. Munson is the Chief Information Officer for PanCanadian Energy Services and is a long-standing member of the GISB Executive Committee.

Mr. Boswell then reviewed the topics to be covered in the meeting and summarized how the consideration of the creation of an energy industry standards board ("EISB") was brought to GISB from the Coalition for Uniform Business Rules ("CUBR"), a group that later became the Edison Electric Institute Uniform Business Practices group. He highlighted how the current GISB strawman as a model for an EISB was developed and revised, and noted the various meetings that had been held recently regarding its consideration. He emphasized that the Advisory Committee's input to the consideration of the creation of and EISB is crucial to the Board's consideration of such.

Mr. Bruce Ellsworth, as the Advisory Committee Chairman, noted that the meeting was called because the industry is going through several changes that may impact GISB, and the Advisory Committee, as stakeholders, should offer guidance to the organization as possible changes such as EISB are considered. Mr. Ellsworth reviewed the meeting's agenda and introduced Mr. Jim Buccigross, to overview the organization's history and annual plans.

2. Brief Background on GISB

Mr. Buccigross reviewed the structure of the GISB organization, the process by which a standard is created, published and maintained, and the principles upon which GISB was founded. He explained the voting process, the definition of industry segments, and the value of public-private partnerships with government agencies. GISB today has 400 plus business practices, 45 plus transactions that have been standardized for use via interactive Internet web site and EDI, 5 standard contracts or agreements, and 6 standards manuals. The standards are currently on version 1.4, and version 1.5 should be released this summer. He noted that GISB has also developed a comprehensive training program and a certification program. He also noted that several countries follow our efforts; and our electronic standards, which are industry independent, have been applied to the power market, the automotive industry, the healthcare industry and the insurance industry.

He added that several states have adopted GISB electronic standards and applied to the electricity market as well as the natural gas standards. He highlighted the Pennsylvania efforts where GISB standards were reviewed and modified to become more applicable to both the federal and state arenas by through the adoption of the AS2 electronic protocol. Mr. Buccigross noted how the certification program could be used to have an independent review of the implementation of a product or service to assess conformance with applicable GISB standards.



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3. 2000 & 2001 Annual Plan Progress and Plans

Mr. Buccigross described the annual plan as a tool for the Board to use in managing GISB's activities. The plan is developed by the Board and Executive Committee ("EC") working together, and then approved by the Board and becomes GISB's agenda for standards development activities for the year. No changes can be made to the plan by the EC without first gaining Board approval. Mr. Buccigross highlighted the year's accomplishments:

- In 2000, significant work was done in the contracts area. The short-term base contract for purchase and sales of natural gas was reviewed and is still being reviewed for changes to reflect several years of industry use. The other contracts efforts identified were delayed until this work is completed.
- Interoperability was another area of significant standards development in 2000. A survey was completed assessing the operating system and platform requirements of GISB members, which is then factored into guidelines that are provided in the GISB standards manuals. The AS2 GISB profile for telecommunications protocol was defined and adopted (and is now applied to the wholesale gas market and the retail gas and electricity market in several states). GISB worked with the Department of Energy and Sandia National Laboratories to perform a surety assessment on its electronic delivery mechanism standards. The surety assessment report was delivered to GISB and after it was declassified, GISB began its review, which will continue into 2001.
- The Federal Energy Regulatory Commission added a significant amount of work as a result of the issuance of FERC Order No. 637. The Board approved the change to the annual plan and the standards development work was substantially complete by the end of the year.
- Last but not least, the normal maintenance activities of standards occurred throughout the year – including business practice standards, information requirements, technical mapping for EDI and Internet web sites, and interpretations for clarifying language ambiguities. Maintenance also includes review and updates to the code values that support the information requirements.

In Mr. Buccigross' description of the annual plan for 2001, he noted that the majority of the plan is a carryover from 2000. The carryover was partly as a result of an over-ambitious plan, but primarily it was due to the FERC Order No. 637 addition to the plan. For activities in 2001, Mr. Buccigross explained each area:

- Three standards development activities for contracts are defined and underway. All three are related to the purchases and sales of natural gas – completion of the changes to the short-term contract, development of the short-term contract in electronic form and development of the long-term contract. Both the development of the long-term contract and the development of the electronic version of the short-term contract can be done directly following the completion of the changes to the short-term contract. In addition, there should be investigation and determination if a model financial hedging agreement and a transportation agreement can be developed.
- Performance, reliability and security issues were the focus of a report issued from the U.S. Department of Energy's Sandia National Laboratories regarding a GISB standards surety assessment. Several suggestions for enhancing GISB standards were made in the assessment, which GISB is considering for implementation.
- Interoperability is crucial to the ensuring that an individual on a computer can successfully access and operate multiple web sites. To achieve interoperability, GISB standards should not define conflicting specifications so that accessing one web site ensures that other web sites are inoperable. Specifically, a plan should be developed for



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addressing versioning issues – which may result in new standards or standard modifications.

- Extensible Mark-up Language (XML) is a tag-based framework used primarily to exchange data in a universally understood format. It could be used as a vehicle for exchanging information in a batch (similar to EDI) or online (interactive web site) mode. XML is gaining in popularity -- several standards groups have undertaken its review, and some have endorsed its use. GISB has prepared a plan to evaluate XML and is in the process of carrying out a pilot project for the short term base contract for purchases and sales of natural gas and for scheduling transactions. Reliant Energy and PanCanadian have volunteered to pilot test XML transactions for the base contract. Other volunteers are being sought for the scheduling transaction.
- Several completed business practice standards for FERC Order No. 637 require technical implementation standards to be developed or modified in order for the activity to be considered fully staffed. In addition, our ANSI ASC X12 EDI standards are being reviewed for the need to migrate to a new version of the ANSI standards.

Mr. Buccigross noted that there is a provisional area of the plan regarding an EISB consideration, which will be discussed as the next agenda item. Of course, he noted that the normal maintenance program for existing standards is underway.

In response to Mr. Buccigross' review, some state representatives noted that GISB standards have been a tremendous help to them – in saving time, reducing costs and requiring fewer state resources. Others noted that it would be helpful if GISB could prepare a report explaining the benefits of the standards to their states. It was emphasized that because GISB cannot advocate, it would not ask state commissions to take any specific action on GISB standards. It can however provide update reports on its activities. It was also suggested that GISB provide status reports to the appropriate NARUC committees to assist the state commissioners and their staff in becoming better informed. Several state commissioners noted that they would contact GISB to give overviews to their colleagues on the commissions.

4. Discussion and Input on the Framework for an Energy Standards Board

Mr. Boswell, Mr. Jim Templeton, Mr. Patterson and Mr. Buccigross generally discussed the revised strawman as a model for the creation of an EISB. Mr. Templeton explained the principles under which an EISB could be formed, the components of the model, and the expectations for costs and membership should this go forward. All discussed the results of the recent discussions with trade associations and government agencies. The Edison Electric Institute CEO Policy Task Force met with GISB leadership and NERC representatives on March 28 where the model was reviewed, and group was generally supportive of an EISB that is independent and a non-advocate. There was general agreement for EEI, NERC and GISB to more fully complete the model including identifying the market segments for each quadrant¹, and to describe how NERC and an EISB would interact for activities where reliability standards affect market-based standards. The results of that effort would then be presented in June at the EEI and GISB Board meetings.

Regarding NERC activities, the model specifically excludes reliability standards (which are mandatory in nature) while an EISB standard as currently envisioned would be voluntary. EISB's standards could be adopted by regulatory agencies – in which case, they would no

¹ The wholesale gas quadrant has five segments: pipelines, producers, distribution companies, end users and services. The wholesale electric quadrant and the retail quadrants for natural gas and electricity do not have segments identified.



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longer be voluntary as to the regulated parties. It was made clear that GISB and NERC would each continue to follow their own standards development work plans, so that the creation of and EISB would be considered in parallel. As such, both organizations recognized the concerns that an EISB consideration would in some manner slow down or impede their progress in other areas², and have ensured that the activities of both organizations in other areas have not been affected. The current model under consideration for an EISB is flexible, so that should an EISB come into being, each quadrant³ could become active at its own rate – thus providing for a smooth transition of activities. Mr. Cauley noted that GISB would be meeting with the NERC Market Interface Committee later in the week.

5. Conclusion and Adjournment

In conclusion, the Advisory Committee members were urged to review the model and should they believe it has merit, they should say so publicly. Similarly, if they do not consider that the creation of an EISB has merit, they also should make their opinions known. It was noted that to increase GISB visibility and to further the discussions on an EISB, the NARUC subcommittees would ask GISB to attend the upcoming summer NARUC meeting in Seattle. Both Mr. Boswell and Mr. Ellsworth observed that the advisory committee's nature is changing to be more active as GISB is considering broad changes to its structure. It would be valuable to GISB to receive input from the advisory committee on the possible transition to an EISB. It was observed that for the wholesale side, the effort might need visible support from the FERC and the Department of Energy. A suggestion was made by one committee member that for an EISB to come into being a cooperative federalist approach needed – with support and input from the federal agencies, the state agencies and GISB.

The meeting adjourned at 1:30 p.m. central.

² Some of the areas of activity that are currently underway through NERC's coordination are OASIS and the Electronic Scheduling Collaborative. GISB's activity is described by its annual plan.

³ The four quadrants are wholesale gas, wholesale electric, retail gas and retail electric. Should an EISB come into being, it is probable that GISB would be considered the wholesale gas quadrant. GISB's current charter permits it to address standards development for both wholesale and retail natural gas, although its predominant focus has been on the wholesale gas side.



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2001 Advisory Committee

Bruce Ellsworth	Chairman, GISB Advisory Committee and Former Commissioner, N.H. Public Utilities Commission
Laura Chappelle	Chair, Michigan Public Service Commission (unable to attend)
Steve Chesebro'	Former Chairman of GISB Board of Directors, 1994-1995
Paul Clanon	Director, California Public Utilities Commission (unable to attend)
Alex DeBoissiere	Attorney, Cinergy and former GISB General Counsel
Christopher Freitas	Program Manager, U.S. Department of Energy (unable to attend)
Diane Barney	New York State Public Service Commission
Robert J. Hix	Former Commissioner, CO PUC (unable to attend)
Sheila Hollis	Partner, Duane, Morris & Heckscher (unable to attend)
Edward Holmes	Vice Chair, Kentucky Public Service Commission (unable to attend)
Robert Keating	Commissioner, MA Department of Public Utilities
Ruth Kretschmer	Commissioner, IL Commerce Commission
Jerry Langdon	President, Republic Gas Company & Former Commissioner, FERC
Kevin Kelly	Director of Policy Innovation and Communication, FERC
Charles Matthews	Commissioner, Texas Railroad Commission
Barbara Mariner Volpe	Energy Information Administration, U.S. D.O.E. (unable to attend)
Don Mason	Commissioner, OH Public Utilities Commission (unable to attend)
Raul Monteforte	Commissioner, Comision Reguladora de Energia
Dick O'Neill	Chief Economic Advisor, FERC (unable to attend)
Phil Peters	Legal Attorney Advisor, FERC (unable to attend)
Roland Priddle	Former Chairman, National Energy Board (unable to attend)
Terry Rochefort	Business Unit Leader, National Energy Board
Bob Rowe	Commissioner, MT Public Service Commission
Howard Shafferman	Partner, Ballard Spahr Andrews & Ingersoll, & former GISB General Counsel
LuAnn Westerfield	Idaho Public Utilities Commission
Veronica Smith	Deputy Executive Director, PA Public Utility Commission
Catherine Van Way	Staff Counsel, House Committee on Energy and Commerce (unable to attend)
Patrick Wood	Chairman, Texas Public Utilities Commission (unable to attend)



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Board Members and EC Officers Attending:

Bill Boswell	Assistant Secretary, Dominion, and Chairman GISB Board of Directors
Jim Buccigross	Vice President, Group 8760
Julie Gomez	Vice President, Enron North America
Richard Kruse	Senior Vice President, Duke Energy Gas Transmission
Mike Novak	Assistant General Manager, National Fuel Gas Distribution
Marty Patterson	General Manager Marketing Operations, IDACORP Energy Solutions
Jim Templeton	Principal, Comprehensive Energy Services

Invited Guests:

Martin Allday	Scott, Douglass & McConnico LLP & Former FERC Chairman
Mariam Arnaout	American Gas Association
Carl Caldwell	Director, CGI and GISB Instructor
Gerry Cauley	North American Electric Reliability Council
Cynthia Corcoran	President, BTUWatch.com and GISB Instructor
David Jewell	Vice President, Altra Energy Technologies
Sylvia Munson	CIO, PanCanadian Energy Services and GISB Instructor
Leigh Spangler	President, Latitude Technologies and GISB Instructor
John Williams	President, Group 8760

Observers:

Suzanne Calcagno	Enron North America
Dale Davis	Williams Gas Pipeline
Mark Gracey	Tennessee Gas Pipeline
Ron Hackemahck	TXU
Theresa Hess	Enron Transportation Services
Keith Sappenfield	Reliant Energy
Kim Van Pelt	CMS Panhandle Eastern Pipeline
Bill Wallace	PanCanadian Energy

GISB Staff:

JoAnn Garcia	GISB Director, Membership Benefits & Programs
Rae McQuade	GISB Executive Director
Veronica Thomason	GISB Executive Assistant
Lawrence Paulson	Hoffman-Paulson Associates