



Gas Industry Standards Board

1100 Louisiana, Suite 3625, Houston, Texas 77002

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Home Page: www.gisb.org

TO: GISB Board of Directors, Posting for Interested Industry Participants

FROM: Rae McQuade, Executive Director

RE: Final Minutes from the GISB Board of Directors Meeting - March 1, 2001

DATE: June 7, 2001

GAS INDUSTRY STANDARDS BOARD GISB BOARD OF DIRECTORS MEETING

**Houston Airport Marriott Hotel, Houston, Texas
Thursday, March 1, 2001**

FINAL MINUTES

1. Opening Remarks

Mr. Boswell opened the Board of Directors meeting and welcomed the Board members, speakers and observers to the meeting. Mr. Hemmeline, Mr. Kruse and Mr. Lentz were introduced as new Board members. Ms. Gomez was announced as the second vice chair and treasurer for GISB for 2001. Mr. Costan read the antitrust charge. The agenda was adopted with no changes.

2. Adoption of Minutes

The minutes of December 7, 2000 were adopted with one change to page three to specify that the requests should be in written form.

3. Retail Marketing Report

Mr. Boswell explained how the discussion would proceed for the revised strawman. No formal governance vote ("19/2" vote) would be requested during this meeting. Mr. Templeton reviewed the strawman proposal presented to the Board and contained within the meeting materials. He described the proposed organizational structure of four quadrants - wholesale gas, wholesale electric, retail gas and retail electric. He explained the flexibility and autonomy of the quadrants and segments within each quadrant, and the governance rules that would apply equally across quadrants and segments - voting, balance of interests, inclusivity, openness, dues, and administrative staff. In response to a question, he noted that the dues are equally assessed at \$5000 per company and that the Board determines how to allocate those monies based on



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Board control of the budget and the annual plan. The funds are expended on administrative functions to support the standards development activities – they are not specified for use by any one quadrant. There was also discussion that while a corporation could hold only one seat on a Board, it could hold multiple seats on the EC across quadrants given that each seat represented a separate membership. The language on the framework should be modified to reflect such. The voting at subcommittee level was also discussed – explaining the openness at the subcommittee level.

Mr. Horton described conversations with Edison Electric Institute (EEI), which were generally positive regarding the revised strawman. Mr. Horton noted that an EEI/CUBR UBP meeting would be held on March 8 (which will be attended by Mr. Mucci and Mr. Templeton), and EEI CEO meeting on March 28 (which will be attended by Mr. Boswell and Mr. Horton). Mr. Lentz discussed his communications with Mr. McGrath of EEI, where there was general acceptance of the strawman with concerns raised on how the wholesale electric quadrant would operate vis-à-vis NERC, and how the standards already developed by GISB, NERC and UBP would be adopted by the new organization.

Mr. Boswell noted that GISB should gauge the level of industry support, and only once the level has been determined sufficient, would a GISB governance change be considered. Mr. Horton noted that GISB should continue the dialog with industry associations and government agencies using the revised strawman. Mr. Horton described a concern that the UBP work product should be used as a starting point for development of standards for the gas/electric retail efforts. Mr. Templeton added that the UBP efforts do not necessarily take the form of standards as formulated by GISB.

There was concern raised by several Board members that it is not time yet to endorse a given structure for an Energy Standards Board until industry support has been demonstrated. However, should industry support be demonstrated for the strawman, the Board members should also give some indication of their support. Mr. Benham asked when it would be expected that GISB and others could assess the industry support for such an organization. In response, it was noted that several industry organizations appeared more supportive of the revised strawman, and the Board believes that the framework is worth further discussion. There is an overall acceptance that standards must be done independently of trade associations and advocacy groups.

There was a general concern voiced that GISB would go forward with this document and determine industry support, only to later have it not go forward with a super-majority vote at our own Board meeting – and to gain further information from the Board on this concern, it was determined to take a sense of the Board. The sense of the Board reflects that the conceptual framework presented in the revised strawman represents the directional sense of the



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Board; it is not an explicit endorsement. It is recognized that there is still a significant amount of work to be done to address the more detailed governance issues.

For the sense of the Board, the motion was made by Mr. Horton and seconded by Mr. Lander that GISB should continue the dialog using the revised strawman and endorse that revised strawman as a broad conceptual framework representing the directional sense of the Board for discussion purposes to gauge industry support. When the vote was taken, there were three votes in opposition – all others were in favor, (see vote 1).

4. Annual Plan

Mr. Buccigross reviewed the 2001 Annual Plan efforts and responded to questions. He noted that the Contracts Subcommittee has only four outstanding issues regarding the modifications to the short-term base contract. On interoperability, the EDM Subcommittee is working on the issues identified in the Sandia report. The XML Subcommittee is defining a pilot test using the base contract as its application. For the activities regarding FERC Order No. 637, proposed standard 5.3.2, which details the released capacity timelines, is contentious, but a compromise was reached on February 22, which will be affirmed on March 9. For the ANSI compliance activities, three more transactions have been developed according the ANSI standards. The next versions of the standards manuals are scheduled to be published on March 31. Ms. Van Pelt of CMS Energy and Mr. Keisler of Williams Gas Pipeline were recognized for their leadership and their significant efforts in bringing forward the new publication of standards.

5. Financial Reports

Ms. McQuade introduced Ms. Darla Wishart as the accountant for GISB. She reviewed the financial statements for January 31, 2001 and described the variances. A report will be sent to the board comparing recent year-end statements.

6. Membership

Ms. Garcia and Ms. McQuade presented the membership report. The organization has lost seven members this year. Two new members have joined and it is expected that at least two more will join in the next month.

7. Other Business and Adjournment

Mr. Boswell noted his intent to bring the sunset question to a Board vote at the third quarter meeting. He thanked Mr. Horton for his leadership of the



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Board in 2000, where great progress was made. The meeting adjourned at 3:15 p.m.



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8. Attendance

Segment	Board Member Name	Member Company	Present	Vote 1
End Users	Janie Mitcham	Reliant Energy	No	Y*
	Paul Karns	Florida Power and Light	Yes	Yes
	Lee Smith	Midland Cogeneration Venture	Yes	Yes
	Vicky Bailey	Cinergy	Yes	Yes
	Jim Templeton	Comprehensive Energy Services	Yes	Yes
LDCs	Bill Boswell	CNG (Dominion)	Yes	Yes
	Walt DeForest	National Fuel Gas Distribution	Yes	Yes
	Adrian Chapman	Washington Gas and Light	Yes	No
	Reed Horting	PECO Energy	Yes	Yes
	Lee Stewart	SoCal Gas	Yes	Yes
Pipelines	John Somerhalder	El Paso Natural Gas	No	Y*
	Stan Horton	Enron Transportation Group	Yes	Yes
	Terry McGill	Columbia Gulf Transmission	Yes	Yes
	Ron Mucci	Williams Gas Pipeline	No	Y*
	Richard Kruse	Duke Energy Gas Transmission	Yes	Yes
Producers	Stan Hemmeline	ExxonMobil	Yes	No
	Allan Knopp	Conoco	Yes	Yes
	Bill Benham	BP Amoco	Yes	Yes
	Hugh Roberts	Marathon	No	Y*
	Abigail Bailey	Texaco Natural Gas	Yes	No
Services	Rick Lentz	TXU Energy Trading	Yes	Yes
	Julie Gomez	Enron Capital & Trade	No	Y*
	Greg Lander	CapacityCentral.com	Yes	Yes
	Lyn Maddox	PG&E Energy Trading	Yes	Yes
	Marty Patterson	Idaho Power	Yes	Yes

Y* - The absent Board members indicated their support for the motion after the meeting.



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Presenters: Jim Buccigross Group 8760, Chairman 2001 Executive Committee

Administrative: Rae McQuade Executive Director
 Jo Ann Garcia GISB Staff
 Veronica Thomason GISB Staff
 Jay Costan McGuire Woods Battle & Boothe, General Counsel
 Laurie Paulson Hoffman Paulson Associates
 Darla Wishart Checks & Balances Accounting

Observer	Company Represented	GISB Member
Miriam Arnaut	American Gas Association	
Kim Van Pelt	CMS Panhandle Eastern Pipe Line	✓
Michael Hansen	Columbia Gulf Transmission	✓
Cynthia Corcoran	Corcoran Law Offices - BTUWatch.com	✓
Mike Shahan	Dominion - Peoples Natural Gas	✓
Mark Scheel	Dynegy Inc.	✓
Theresa Hess	Enron Transportation Services	✓
Leigh Spangler	Latitude Technologies	✓
Dale Davis	Williams Gas Pipeline	✓