



## Gas Industry Standards Board

1100 Louisiana, Suite 3625, Houston, Texas 77002

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Home Page: www.gisb.org

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**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 - September 19, 2001

**DATE:** September 19, 2001

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**GAS INDUSTRY STANDARDS BOARD  
GISB BOARD OF DIRECTORS MEETING**

**Hyatt Regency Hotel, Houston, Texas  
September 19, 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. He asked that the group observe a moment of silence for all the victims of the September 11 attack. Mr. Costan read the antitrust charge. Nancy Laird and John Procaro were introduced as new Board members. The agenda was adopted with no changes.

**2. Adoption of Minutes**

The minutes of June 7, 2001 were adopted with changes presented by Ms. Dale Davis on behalf of Board member Ron Mucci.

**3. Sunset Provision**

The motion was made to extend GISB's existence to December 31, 2004. All Board members were in favor of extending GISB's life to 2004.

**4. Remarks From Commissioner Nora Mead Brownell**

Mr. Boswell introduced Commissioner Brownell, who provided remarks for the upcoming discussion and vote on energy industry standards organization [since named the North American Energy Standards Board, "NAESB"]. She emphasized with a strong sense of urgency that from FERC's perspective, they are ready to see GISB make this transition and move forward in standards development. She further noted that the difference between reliability and business standards can be worked out and should not impede the progress of building the new organization.

**5. Energy Standards Board**

There was discussion on industry activities, a description of Strawman 2.1 with a Q&A session with board members, and a description of the legal options available to the Board. In discussion on the legal options, Mr. Lander asked that Mr. Costan modify the legal options document to reflect that new board members were elected - (revised document attached).



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Mr. Mucci asked that several clarifications be made to the changes to the articles of incorporation, all of which were supported by the Board members, and are provided as an attachment to these minutes. Several Board members raised concerns on how determination would be made that there was an active quadrant. It was noted that this concern should be addressed in the bylaws. Similarly, there was a concern raised that during the transition, if not all of the quadrants are active, how would the Board make decisions. It was noted that the decisions would be made by those quadrants that were active, which will also be specifically addressed in the bylaws. There was concern that the term "model business practices" was introduced, but there was no apparent difference between it and a "standard". In response, it was noted that some state commissions preferred the term "model business practices", as they determined that they are the only entity to set standards. In discussion, it was emphasized that only the Board can change the bylaws, and that as we proceed and further changes to the bylaws are needed, each active quadrant would vote on the changes to the bylaws.

In discussion on Strawman 2.1, it was raised that the limitations identified in footnote 1 should be removed and each quadrant determine for itself which standards should be developed - thus providing flexibility and simplicity. The footnote referred to is "the activities of the new organization would not extend to the development of standards for physical safety, physical reliability, facilities construction, equipment manufacture or the operation of natural gas or electrical equipment such as those established by the AGA or NERC." After discussion, it was determined not to change the strawman text, but to provide guidance to the Board Task Force and Jay Costan as the bylaws are drafted, that the strawman language in the preamble is not intended to be a limitation on how the bylaws are drafted. There were questions on the joint development of standards -what mechanisms are in place to allow it (triage assignment and reconsideration) and what protections are in place for each quadrant (voting requires a super-majority of each applicable quadrant on the Executive Committee (67%) along with a minimum requirement per segment (40%). As a final concern, it was noted that one market interest (electricity) might dictate a course of action to another market interest (natural gas). The voting rules would prevent such an occurrence, and the Board should be vigilant to ensure that no such direction can occur.

The Board took the following steps:

- The motion was made and unanimously accepted to endorse strawman 2.1 with the following provision that the language in the strawman preamble is not meant to be a limitation on how the bylaws are drafted.
- The motion was made and unanimously accepted to amend the articles of incorporation to permit GISB to consider wholesale and retail electric issues, not earlier than January 1, 2002, with the changes noted by Mr. Mucci, Mr. Lander and Mr. Costan.
- The motion was made and unanimously accepted to file the amended articles of incorporation to be effective January 1, 2002.
- The motion was made and unanimously accepted to have the general counsel prepare preliminary bylaws to transform GISB into an energy industry standards organization consistent with Strawman 2.1, coordinate said drafting with the Board Task Force, circulate the draft bylaws for industry comment and present said amended bylaws to the Board for its consideration at the December 2001 meeting.



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### **6. Annual Plan**

Mr. Buccigross reviewed the 2001 Annual Plan efforts and responded to questions. He noted that version 1.5 of the standards has been published. For the contracts issues, the short-term base contract for purchases and sales ("Base Contract") has been amended by the subcommittee and is now being reviewed for inclusion of a Canadian addendum. The effort to develop an electronic contract will begin once the current efforts on the Base Contract conclude. However, the XML Subcommittee is pilot testing an electronic version of the Base Contract, which might be used in this effort once it begins. Similarly, the efforts to develop a long-term contract will begin once the efforts on the Base Contract conclude. No work has begun on the provisional activities as no detailed requests have been submitted to the GISB office. While the EDM Subcommittee presented a final work product to the Executive Committee ("EC") last month regarding the Sandia report, the EC requested additional materials be prepared including redlined sections of the EDM manual. It was reported to the EC that the business practice standards related to Order 637 are complete, and that the technical implementation aspects are now being addressed. The XML Subcommittee is working on two pilot tests for contracts and scheduling. In maintenance, the Business Practices Subcommittee has reported for the first time in its existence that there is no backlog of requests.

### **7. Financial Reports**

Ms. McQuade and Ms. Wishart reviewed the financial statements through July 31, 2001 and described the variances. There were no significant variances either in expenses or in revenues.

### **8. Membership**

Ms. McQuade presented the membership report. The membership numbers are flat. As we have lost members, we have added new ones.

### **9. Other Business and Adjournment**

Mr. Brooks, through a submittal from GISB, is receiving an ANSI Meritorious Service Award at the upcoming Standards Day Banquet. Mr. Boswell thanked all who contributed to the effort to move to an energy standards board.

The meeting adjourned at 3:30 p.m.



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### 8. Attendance

Segment	Board Member Name	Member Company	Present
End Users	Janie Mitcham	Reliant Energy	Ballot
	Paul Karns	Florida Power and Light	Ballot
	Lee Smith	Midland Cogeneration Venture	Yes
	John Procaro	Cinergy	Ballot
	Jim Templeton	Comprehensive Energy Services	Yes
LDCs	Bill Boswell	CNG (Dominion)	Yes
	Walt DeForest	National Fuel Gas Distribution	Yes
	Adrian Chapman	Washington Gas and Light	Yes
	Reed Horting	PECO Energy	Yes
	Lee Stewart	SoCal Gas	Ballot
Pipelines	John Somerhalder	El Paso Natural Gas	Yes
	Stan Horton	Enron Transportation Group	Yes
	Terry McGill	Columbia Gulf Transmission	Yes
	Ron Mucci	Williams Gas Pipeline	Phone
	Richard Kruse	Duke Energy Gas Transmission	Yes
Producers	Stan Hemmeline	ExxonMobil	Yes
	Allan Knopp	Conoco	Ballot
	Bill Benham	BP Energy	Ballot, Yes
	Nancy Laird	PanCanadian	Phone
	Abigail Bailey	Texaco Natural Gas	Ballot
Services	Rick Lentz	TXU Energy Trading	Yes
	Julie Gomez	Enron Capital & Trade	Yes
	Greg Lander	CapacityCentral.com	Yes
	Lyn Maddox	PG&E Energy Trading	Yes
	Marty Patterson	Idaho Power	Yes



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Presenters: Jim Buccigross Group 8760, Chairman 2001 Executive Committee

GISB: Rae McQuade Executive Director  
Jay Costan McGuire Woods Battle & Boothe, General Counsel  
Laurie Paulson Hoffman Paulson Associates  
Cheryl Hoffman Hoffman Paulson Associates  
Bruce Ellsworth GISB Advisory Committee Chairman  
Darla Wishart Checks and Balances

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Observer	Company Represented	GISB Member
Miriam Arnaut	American Gas Association	✗
Alex DeBoissiere	Cinergy	✓
Bill Grygar	CMS Panhandle Eastern Pipe Line	✓
Kim Van Pelt	CMS Panhandle Eastern Pipe Line	✓
Michael Hansen	Columbia Gulf Transmission	✓
Cynthia Corcoran	Corcoran Law Offices - BTUWatch.com	✓
Mike Shahan	Dominion	✓
Iris King	Dominion Transmission	✓
Mark Scheel	Dynegy Inc.	✓
Mike McGrath	Edison Electric Institute	✗
Suzanne Calcagno	Enron North America	✓
Charles Yeung	Enron Power Marketing	✗
Theresa Hess	Enron Transportation Services	✓
Randy Young	Gulf South Pipeline	✓
Dolores Chezar	KeySpan Energy	✓
Leigh Spangler	Latitude Technologies	✓
Mark Temple	Mirant	✓
Craig Glazer	PJM Interconnection	✗
Trent Carlson	Reliant Energy	✓
Mark Gracey	Tennessee Gas Pipeline	✓
Dale Davis	Williams Gas Pipeline	✓