



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

**Menger Hotel, San Antonio, Texas  
September 30, 1998**

**FINAL MINUTES**

**1. Opening Remarks**

Mr. Ciliske opened the Board of Directors meeting and welcomed the Board members, speakers and observers to the meeting. Mr. Holbrook provided the antitrust guidelines. The agenda was adopted as presented at the meeting. The minutes of June 18 were adopted with no changes.

**2. Year 2000 Survey**

Ms. McQuade reviewed the activities to date of the President's Commission on Year 2000 Conversion Oil & Gas Group. A survey was sent out by the GISB office in August and returned on September 10. The majority of our members responded to the survey through other association requests (American Petroleum Institute or Natural Gas Council -- INGAA, AGA, NGSA and IPAA). The survey yielded positive results on the readiness of the industry but highlighted concerns that gas companies have about their suppliers readiness and the electric industry readiness, particularly with respect to embedded systems. The survey will be sent out on a quarterly basis. The individual surveys sent to the GISB office are destroyed after the results are compiled. A FERC Technical Conference was held on September 18, during which the survey results were reviewed.

**3. Annual Plan**

Mr. Bray reviewed the progress made to date against the Annual Plan. Two items will probably be delayed for conclusion to first quarter 1999: Imbalance Netting and Cross Contract Ranking. Mr. Bray noted that recommended standards for Title Transfer Tracking are now out for industry comment and will be brought to the Executive Committee for vote on October 16. He added that this is a controversial topic and that the proposed standards may not be voted successfully through the Executive Committee on October 16. He outlined that if the standards do not pass, the outcome will be noted in the periodic update report to the FERC.

Mr. Caldwell reviewed the progress to date on development of standards for transactional web sites with comparability standards for communications through EDI. The group preparing these standards, the EBB Internet Implementation Task Force, used the CAMEL model presented to the Board of Directors in June. He outlined the process used -- the group meets three days per month, and in two and one half months the group has prepared recommendations for 64 standards governing global web site use, nominations related activities and comparability standards for EDI use. He indicated that the next three meetings should conclude the majority of standards regarding global standards; comparability standards for Internet, EDI and flat files; and nominations related standards. The deadlines for other standards development activities were presented to the Board of Directors. Some concern was raised that these dates could be too aggressive. The Board will be kept apprised of any schedule slippage. Mr.

Caldwell further noted that the in the FERC Order No. 587-I, issued on September 29, the proposed timeline for interactive Web site standards development was endorsed by the FERC.

Mr. Templeton reviewed the draft 1999 Annual Plan. The focus of the plan is the conclusion of standards development for interactive Web sites. Mr. Ciliske thanked Mr. Templeton for leading the effort to build the 1999 plan. It is expected that the Board will vote to endorse the plan in its December 3 meeting. Those wishing to comment on the plan should forward their comments either Mr. Templeton or Ms. McQuade prior to the December meeting.

#### **4. Common Codes**

Ms. McQuade and Mr. Bray updated the Board on the activities regarding common codes. GISB has two common codes: (1) a common location point code, previously supplied through PI/Dwights, called the DRN number (data reference number), and (2) a common business party code, supplied by Dun and Bradstreet, called the D-U-N-S® Number. Each have contractual issues.

For the D-U-N-S® Number, several pipelines have outstanding waivers which conclude on October 31 regarding making available company names associated with the codes used in capacity release transactions. In conversations with FERC staff, we have noted that a blanket waiver might be possible to extend the waiver date for a period of time such that GISB can resolve the issue of making the company names available with the code through a common repository. Mr. Hahn and Ms. McQuade have been actively working with D&B representatives to obtain intellectual property rights to the information so that a common repository can be built of the names and the codes. Mr. Bray noted that perhaps a six month blanket waiver from the FERC would be adequate time to resolve the issue with D&B.

Ms. McQuade noted that GISB has three alternatives identified that could resolve the issue for making the names available with the codes -- (1) put the name in the capacity release data sets accompanying the codes -- which would provide the needed information to the FERC, (2) use an agency agreement whereby the companies allow for release of their codes and names to an agent who can then make all of the information available, and (3) obtain intellectual property rights from D&B so that a common repository can be built. Currently all effort has been focused on working with D&B regarding intellectual property rights. The negotiations now are focused on the financial issues -- how much or if GISB should pay to D&B for intellectual property rights to the names associated with the codes. A meeting has been scheduled with D&B on October 7 to continue negotiations. Ms. McQuade advised a formal letter to D&B -- which the Board supported. The letter will not address the alternatives. Other Board members noted that a fourth alternative exists -- GISB developing its own common code, which could also be a revenue generating project for the organization. By November, we should have more information on if the granting of intellectual property rights is feasible. Mr. Lander and Mr. Mucci will work with Ms. McQuade, Mr. Bray and Mr. Hahn on this issue.

For the issuance of DRN Numbers, PI/Dwights has informed the GISB office that it will no longer issue DRN Numbers. They have granted full intellectual property rights of the data to GISB, and recently provided the GISB office with all of the data. Mr. Caldwell and Ms. McQuade prepared a draft RFP to solicit another service company to issue and maintain DRN numbers for GISB members. The Board supported sending out an RFP with short deadlines. Ms. McCartney and Ms. Laird will work with Mr. Bray, Mr. Hahn, Ms. McQuade and Mr. Caldwell on sending the RFP out and selecting the service company from those that submit proposals.

#### **5. Notice of Proposed Rule-making**

Mr. Holbrook reviewed the recently issued Notice of Proposed Rule-Making, Docket No. RM98-10-000 (NOPR), with a summary prepared by Mr. Caldwell of Deloitte and Touche. In the NOPR, specific requests were made for GISB and other interested parties to provide comments, due November 9, regarding such issues as penalties and recourse tariffs. Several on the Board noted that there were serious questions on scope and advocacy. Regarding such issues, there are also possible conflicts with existing GISB standards such as standard no. 1.1.16 governing compensability, that should not be

addressed by GISB. The auction process outlined in the NOPR may have inconsistencies with intraday nominations and may also present a resource problem as it is not addressed in the draft 1999 annual plan. Several on the Board also noted that GISB's role is to develop standards to support policy, not to define the policies. The Board supported a letter to be sent to FERC, drafted by Mr. Holbrook, thanking the FERC for their confidence in our organization and outlining the concerns Mr. Holbrook and other raised. The letter will be forwarded to the Editorial Review Board for its approval before forwarding to the FERC.

## **6. Financial Report**

Ms. McQuade and Ms. Admire reviewed the work recently completed by Deloitte and Touche regarding the audit of the 1997 accounting record resulting in the GISB 1997 Annual Report. Deloitte and Touche performs this audit at no cost to GISB. They were thanked for their generous efforts. The 1997 audit was a clean opinion, with no issues cited. Ms. Admire reviewed the 1998 financial report to date both on an accrual and cash basis. After responding to questions, there were no issues raised. Mr. Templeton updated the Board on the effort to prepare the draft 1999 budget. The budget is based on the 1998 expenses and budget with some categories of costs reduced, but the meeting expenses raised due to the number of meetings, meeting expenses and meeting materials expenses expected in 1999. The draft budget will be further refined before it is brought before the Board for approval in its December meeting. Some Board members asked that the Executive Committee review its schedule of meetings and locations to see if costs can be reduced overall. They also asked that one meeting be held in Calgary. Mr. Bray noted that he would have it placed on the October Executive Committee agenda.

## **7. Membership**

Ms. McQuade noted that the membership drive undertaken earlier this year has not been successful. A report of the effort was provided in the meeting materials. With all standards organizations, GISB has what is known as a "free rider" problem. Companies, if they determine that their interests are supported by others in the organization, may choose not to join. In July, to better delineate membership benefits from non-membership benefits, most of the information of the GISB Home Page was protected by passwords. Non-members could still receive the information but they would be required to pay for it. The payment was based on fee structures that other standards organizations, such as FASB, charge for information. This effort has been successful in attracting some companies to join, and raising the awareness of membership benefits to others. Some other new members joined as a result of recently held courses and the annual meeting, where the members have heavily discounted fees. The Board considered a rolling calendar for dues so that GISB could attract members later in the year. When the budget is approved, several revenue generating projects will be brought forward including the effects of using a rolling calendar for membership dues.

## **8. Other Business**

Mr. Holbrook noted that in response to questions, it was both his interpretation and the interpretation of Mr. Boswell that the clause of the bylaws addressing agents serving on the Executive Committee for a two year period was prospective. For agents currently serving in that role, the provisions in the bylaws extend their eligibility to serve on the Executive Committee to March 2000. All Board members supported the interpretation stated as the intent of the clause in the bylaws.

## **9. Adjournment**

The meeting adjourned at 3:00 p.m.

		<u>Attendance</u>	
<u>Segment</u>	<u>Member</u>		<u>Present</u>
<u>End Users:</u>	L.G. Brackeen		✓
	John Stevens		✗
	Jim Templeton		✓
	Mike Wallace		✗
	Norm Davis		✗
<u>LDCs:</u>	Walt DeForest		✓
	Bill Boswell		✓
	Mary Jane McCartney		✓
	Andy Sonderman		✓
	Lee Stewart		✓
<u>Pipelines:</u>	Rick Baish		✓
	Ron Mucci		✓
	Stan Horton		✓
	Bob Reid		✓
	Terry McGill		✓
<u>Producers:</u>	Allan Knopp		✓
	Jeff Hutton		✓
	Nancy Laird		✓
	Richard Lindley		✓
	Tammy Norman		✗
<u>Services:</u>	Steve Bergstrom		✓
	Terry Ciliske		✓
	Tim Janisse		✓
	Greg Lander		✓
	Julie Gomez		✓
<u>Presenters:</u>	Mike Bray	Chairman Executive Committee	
	Carl Caldwell	Deloitte and Touche	
<u>Administrative</u>	Rae McQuade	Executive Director	
	Dennis Holbrook	General Counsel	
	Veronica Thomason	GISB Staff	
	Laurie Paulson	Hoffman Paulson Associates	
	Cheryl Hoffman	Hoffman Paulson Associates	
	Jo Ann Garcia	GISB Staff	
	Dalia Alejos	GISB Staff	
	Susan Admire	Admire & Associates, Accounting Services	
<u>Observers</u>	Shelley Corman	Enron Pipeline Group	
	Theresa Hess	Enron -- Transwestern Pipeline	
	Donna Scott	Enron Administrative Corp.	
	Julie Unruh	Koch Gateway	
	Kim Van Pelt	Duke Energy -- Panhandle Eastern	
	Jean Ford	Andersen Consulting	
	Meg Healy	KPMG	
	Leigh Spangler	Latitude Technologies	

Dale Davis	Williams Gas Pipeline
Gary Payne	Enron Capital & Trade
Kirt Kleinman	Utility Partners
Stuart Maudlin	SABRE Energy
Mark Gracey	Tennessee Gas Pipeline
Diane McVicker	Salt River Project
Christopher Freitas	U.S. Department of Energy
Jim Buccigross	National Registry
Les Fyock	American Gas Association
Mike Novak	National Fuel Distribution
Jane Copeland	Ak/Ret Reporting