



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 - December 7, 2000

DATE: March 1, 2001

GAS INDUSTRY STANDARDS BOARD GISB BOARD OF DIRECTORS MEETING

**Houston Airport Marriott Hotel, Houston, Texas
Thursday, December 7, 2000**

FINAL MINUTES

1. Opening Remarks

Mr. Horton opened the Board of Directors meeting and welcomed the Board members, speakers and observers to the meeting. Mr. Costan gave the antitrust advice. The agenda was adopted with no changes.

2. Adoption of Minutes

The minutes of September 27, 2000 were adopted with no changes.

3. Retail Marketing Report

Mr. Horton reported on the development of the strawman and the efforts of the Board Task Force.¹ He reviewed the meeting with EEI and the meetings held with various trade associations and government agencies. He characterized the differences between the EEI comments and the strawman. While there are some differences, it can be worked with so that most of the differences could be put to rest fairly quickly.

¹ **Board Task Force:** Stan Horton (Enron Transportation Services Company), Ron Mucci (Williams Gas Pipeline), Hugh Roberts (Marathon Oil), Allan Knopp (Conoco), Jim Templeton (Comprehensive Energy Services), Vicky Bailey (Cinergy - Public Service of Indiana), Janie Mitcham (Reliant Energy), Greg Lander (CapacityCenter.com), Steve Bergstrom (Dynergy), Reed Horting (PECO Energy), Lee Stewart (SoCal Gas), Bill Boswell (Dominion Resources), Lyn Maddox (PGE Energy Trading), Marty Patterson (Idacorp Energy Solutions).



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Mr. Lander noted that at the DOE/NARUC meeting held recently in Dallas, some mentioned that the EEI comments were more staff driven than otherwise. Other comments were made that the wholesale electric commercial issues should be addressed more quickly rather than delayed. Mr. Lander noted that Mr. Brown of Edison Electric Institute (EEI) characterized the EEI comments as a first draft and that EEI looked forward to working with GISB. Regarding why retail gas and electric standards issues should be resolved together but wholesale gas and electric should be addressed separately, EEI has noted that the formation of regional transmission organizations is in its infancy, and as such, wholesale electric business practices standards are premature. The wholesale gas marketplace is not undergoing similar structural changes, and is significantly further along in the development and acceptance of business practice standards.

While this process has taken a little over a year to date, the dialogs to date have benefited the industry and a request from EEI to meet and work out the differences. Mr. Horton asked that the GISB Board continue its efforts, keep the dialog going, meet with the EEI CEO task force, and prepare a revised document to work from after the GISB task force has met with the EEI CEO task force.

Mr. Stewart noted that other constituencies should be heard from, including the American Gas Association. They currently have a survey to determine their position, but do not yet have a position on the strawman. Mr. Horton added that the members of the Board task force should also represent their segment and trade associations. Mr. Lander noted that after the EEI CEO meetings, meetings with trade associations should continue, followed possibly by industry wide meetings.

The motion was made by Mr. Lander and seconded by Mr. Templeton to ask the Board task force to prepare a second version of the strawman, using the EEI strawman, identifying areas where there is agreement and where there is the possibility for compromise. The revised strawman should be prepared by the end of January. The strawman would then go out to the full Board, and a conference call set up for discussion. Mr. Horton will set up meeting in early February to discuss the strawman with the EEI CEO task force. The Board endorsed through a unanimous vote the motion to prepare a second version of the strawman. The Board thanked Mr. Mucci and the Board Task Force, Mr. Templeton and Ms. McQuade for their efforts.

4. Annual Plan

Mr. Buccigross reviewed the 2000 Annual Plan efforts and explained the carryover items to the 2001 Annual Plan, and responded to questions. It was noted that attention redirected to the FERC Order No. 637 items delayed the



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completion of other items in the plan. The development of the AS2 standard has been completed. It was noted that several states have adopted this standard for application to both natural gas and electricity retail markets, and also that several industries are using or considering this standard. It is important to note that it is backwardly compatible. The interoperability survey is complete, and the results of the survey along with the recommendations from the Sandia National Laboratories report will drive the remaining work listed for electronic delivery mechanism. The delay in receiving the Sandia National Laboratories report and gaining approval to distribute the report delayed subcommittee action. The base contract efforts for the modifications to the short-term contract, while taking significantly longer than expected, should expedite efforts on the development of a standard long-term contract. Ms. Van Pelt, co-chair of several GISB subcommittees, noted that the progress on the Technical Subcommittee might be impacted as a result of fewer volunteer subcommittee members with the ability to direct their attentions to the subcommittee work. Most standards require a review through the Technical Subcommittee in order to be considered fully staffed. She asked that the Board members consider providing additional resources to this subcommittee.

Regarding the process of the annual plan, it was noted that not all items in the 2000 plan had requests accompanying them, and for those that did have requests, the amount of detail provided was at the purview of the submitter. This was also noted to be the case for the 2001 annual plan.

Mr. Buccigross described the 2001 annual plan and noted that the majority of items were carry-overs from 2000. The Board asked that prior to work being undertaken for a new item, a written request should be received from the submitter - specifically, this was noted for the development of a transportation services agreement and a model financial hedging agreement. The motion was made and seconded to approve 2001 Annual Plan in its entirety, with priority given to the completion of carryover items. The motion carried unanimously.

The Board recognized the efforts of the Executive Committee and its subcommittees in 2000 in carrying out the directives of the 2000 Annual Plan and thanked them for their hard work.

5. Financial Reports

Ms. McQuade introduced Ms. Darla Wishart as the accountant for GISB. She reviewed the financial statements for 2000 through October including the variance report provided in the meeting materials, and noted that the 2001 budget was flat based on the expectations for yearend 2000. The budget for 2001 was adopted through a unanimous vote, with no changes. The Board agreed that the dues for 2001 would remain at \$5000 per company membership.



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6. Membership

Ms. Garcia and Ms. McQuade presented the membership report. Membership is stable as measured against last year.

7. Executive Session

The meeting went into executive session to discuss GISB compensation issues. At the conclusion of the executive session, Mr. Templeton was thanked for the significant efforts expended towards the examination of the creation of an energy standards board.

8. Adjournment

The meeting adjourned at 3:00 p.m. Mr. Horton was thanked for his leadership in 2000 with a standing ovation.



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8. Attendance

Segment	Board Member Name	Member Company	Present
End Users	Janie Mitcham	Reliant Energy	×
	Paul Karns	Florida Power and Light	✓
	Lee Smith	Midland Cogeneration Venture	✓
	Vicky Bailey	Cinergy	✓
	Jim Templeton	Comprehensive Energy Services	✓
LDCs	Bill Boswell	Dominion Resources	✓
	Walt DeForest	National Fuel Gas Distribution	✓
	Adrian Chapman	Washington Gas and Light	✓
	Reed Horting	PECO Energy	✓
	Lee Stewart	SoCal Gas	✓
Pipelines	John Somerhalder	El Paso Natural Gas	✓
	Stan Horton	Enron Transportation Services	✓
	Terry McGill	Columbia Gulf Transmission	✓
	Ron Mucci	Williams Gas Pipeline	✓
	Bob Reid	Colorado Interstate Gas	✓
Producers	Pete Dickson	Exxon	✓
	Allan Knopp	Conoco	✓
	Bill Benham	BP Amoco	✓
	Hugh Roberts	Marathon	✓
	Abigail Bailey	Texaco Natural Gas	✓
Services	Steve Bergstrom	Dynegy Marketing & Trade	×
	Julie Gomez	Enron Capital & Trade	✓
	Greg Lander	CapacityCenter.com (via phone)	✓
	Lyn Maddox	PG&E Energy Trading	✓
	Marty Patterson	Idaho Power	✓



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Presenters: Jim Buccigross Group 8760, Chairman 2000 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	
Alex DeBoissiere	Cinergy	✓
Kim Van Pelt	CMS Panhandle Eastern Pipe Line	✓
Cynthia Corcoran	Corcoran Law Offices - BTU Watch	✓
Mark Scheel	Dynegy Inc.	✓
Nancy Hetrick	Enron Corp.	✓
Shelley Corman	Enron Transportation Services	✓
Gary Payne	Enron North America	✓
Randy Young	Koch Gateway	✓
Karen Gossett	Koch Gateway	✓
Leigh Spangler	Latitude Technologies	✓
Mark Gracey	Tennessee Gas Pipeline	✓
Dale Davis	Williams Gas Pipeline	✓