



Gas Industry Standards Board

1100 LOUISIANA, SUITE 4925, HOUSTON, TEXAS 77002
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Home Page www.gisb.org

February 11, 1999

TO: Business Practices Subcommittee (BPS) chairs: Greg Lander (absent), Norm Walker (absent), Randy Friedman (absent), Diane McVicker, Terry McRae
Posting on the GISB home page for interested industry participants

FROM: Rae McQuade

RE: **Final Minutes from the Business Practices Subcommittee -- February 11, 1999**

I. Administrative

Ms. McVicker opened the meeting at 2:30 p.m., welcomed the participants, the roll was called and antitrust advice was given by Mr. Buccigross. The revised agenda was adopted with no changes. The minutes of February 4 meeting were adopted with changes.

II. Issues raised by Information Requirements Subcommittee, to be addressed by the BPS

Ms. Hess introduced the following issue 3 from last week's meeting:

3. Is the Offer Upload Final Disposition used for non-prearranged deals as well as for prearranged deals? (IR 9/15/98)

Mr. Buccigross offered the following proposed concepts as a response:

The final disposition should be sent to:

1. The releasing shipper, both in the case of a pre-arranged or non-pre-arranged Offer Upload.
2. The prearranged bidder in the case of a prearranged Offer Upload.
3. The winning bidder who has sent in a Bid Upload, both in the case of a prearranged and non-prearranged Offer Upload.

The concepts were accepted by Ms. Hess. Ms. Davis reviewed when bidders would receive a Final Disposition depending on if the deal was pre-arranged or not pre-arranged and whether or not a Bid Upload was sent, according to the concepts listed above. Similarly the situations were outlined for the releasing shipper. The motion was made to send the following response as a concept to Information Requirements Subcommittee.

Motion: For releasing shippers that provide an Offer Upload then they are notified, for bidders uploading a (a) Bid Confirmation, or (b) Bid Upload and they are the winning bidders, then they are notified.

The motion carried unanimously.

The issue on item 4 from the last week's meeting will be deferred to the next meeting:

4. In the recently adopted standards from Request No. R97111, was 5.3.A standard meant to be in addition to or a replacement to GISB Standard No. 5.3.10?

III. Transfers from BPS to EBB Internet Implementation (EII) Task Force (Invoicing and Capacity Release Requests)

No requests to transfer requests to EII Task Force were received for consideration by the BPS.

IV. Standards Language for Request Nos. R98011 and R98012

Ms. Unruh reviewed her work paper, intended as a replacement for 2.3.H:

- 2.3.H.1 On monthly allocating Transportation Service Providers (TSPs), at locations where the Swing or Rank Allocation Method is employed by a TSP, any Service Requester (SR)



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that has been designated by a Confirming Party as the Swing party or the lowest ranked SR must be notified by the TSP of its proposed status prior to gas flow. Notification should be via e-mail or other electronic method, fax, or telephone. Absent communication from the SR or Confirming Party to the TSP to the contrary, such designation should be considered effective as of gas flow. If communication to the contrary is received, the allocation method defaults to pro-rata.

Discussion: Koch Gateway offered the replacement language as the approval process in the existing 2.3.H is not workable, and the above language as a replacement is meant to address the approval process. Mr. Young reviewed the process and in discussion made some changes to the language. In further discussions, others suggested changes which were made. In the discussions, Ms. McNeal offered that her work paper may also address the issues.

There were no decisions made on the above language and Ms. McNeal's work paper was reviewed, which does not modify nor replace BPS approved standard 2.3.H. Ms. McNeal reviewed the following proposed standards for monthly allocating Transportation Service Providers (TSPs), prior to agreeing to the Swing or Rank allocation methodology at a location:

Approved Standard 2.3.H

If a Pre-determined Allocation (PDA) for the swing or rank methodology is received without an approval from the swing or lowest rank party, then it is not considered a valid PDA and allocation defaults to pro rata.

Proposed Standard:

On monthly allocating Transportation Service Providers (TSPs) at locations where the Swing or Rank allocation methodology is employed, the Operator should submit a Request to Allocate via Swing or Rank Pre-determined Allocation (PDA)¹ to the Service Requester that would be designated as the Swing party or the lowest ranked party.

Proposed Standard:

On monthly allocating Transportation Service Providers (TSPs) at locations where the Swing or Rank allocation methodology is employed, after receipt of the Request to Allocate via Swing or Rank Pre-determined Allocation (PDA)¹ from the Operator, Service Requester should approve or deny the request. Such approval or denial by Service Requester should be via Authorization to Allocate via Swing or Rank Pre-determined Allocation (PDA).

Proposed Standard:

The Operator should submit the Authorization to Allocate via Swing or Rank Pre-determined Allocation (PDA) received from the Service Requester along with the Pre-determined Allocation (PDA) to the allocating party. The timeframe established in 2.3.5 must be adhered to.



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Approved Standard 2.3.5

The upstream or downstream party providing the point confirmation should submit the pre-determined allocation to the allocating party after or during confirmation and before start of gas day.

Motion: The motion was made to defer further discussion on this issue (the Koch Gateway proposed standard 2.3.H.1, the proposed standards provided by El Paso Natural Gas, and the remaining outstanding items from the TransCapacity draft 11 work paper as to be discussed on February 17).

The motion passed unanimously.

V. Upcoming Agenda & Adjournment

The meeting adjourned at 4:10 p.m. The next meeting is scheduled for 9 a.m. to 4:30 p.m. on February 17 and from 9 a.m. to 3 p.m. on February 18, hosted by Koch Gateway. The agenda for the meeting is as follows:

1. Administrative: Welcome, Antitrust Advice, Roll Call, Adoption of Agenda, Adoption of Draft Minutes from February 11, 1999.
2. Issues raised by Information Requirements Subcommittee, to be addressed by the BPS (regarding 5.3.A)
3. Transfers from BPS to EII Task Force (Invoicing and Capacity Release Requests)
4. Review of the following requests **FOR DISCUSSION AND VOTE** :
 - R98011 Add new standards and definitions to standardize the PDA/Allocation process and standardize the terms parties use when referring to various processes known as allocation
 - R98012 Add a new standard to describe when and under what circumstances Allocation Statements are sent to shippers
[The discussions will start with 2.3.H.1 in the Revised Koch Gateway work paper, the work paper submitted by El Paso Natural Gas and the remaining issues in the TransCapacity draft 11 work paper]
5. Next meeting and agenda for telephone conference
6. Adjourn



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IV. Attendees¹

<u>Name</u>	<u>Company</u>	<u>Email</u>
SERVICES:		
Jim Buccigross	National Registry	legaljb@tcapserv.com
Donna Scott	Enron Administrative Corp.	dscott2@ect.enron.com
Steve Hinton	TransCapacity	operations@tcapserv.com
LDCs:		
Rick Ishikawa	So Cal Gas	rishikawa@socalgas.com
PIPELINES:		
Mary Sue McNeal	El Paso Natural Gas	mcnealm@epenergy.com
Theresa Hess	Enron - Transwestern	thess@enron.com
Julie Unruh	Koch Gateway	unruhj@kochind.com
Sandra Barnett	Koch Gateway	barnetts@kochind.com
Randy Young	Koch Midstream Services	young0r@kochind.com
Dale Davis	Williams Gas Pipeline	dale.m.davis@wgp.twc.com
Kelly Adolf	Williston Basin	brookr@wbip.com
PRODUCERS:		
Terry McRae	PennzEnergy	terrymrae@pennzenergy.com
END USERS:		
Diane McVicker	Salt River Project	dbmcvick@srpnet.com
ADMINISTRATIVE:		
Rae McQuade	GISB Office	gisb@aol.com

¹ The attendees' names which appear in **BOLD** are committee chairs. The others are participants.