



## Gas Industry Standards Board

1100 Louisiana, Suite 4925, Houston, Texas 77002  
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**TO:** BPS Chairs (Bill Hebenstreit, Greg Lander, Mike Novak, Kim Van Pelt, Producer vacancy)  
Posting for Interested Industry Participants

**FROM:** Rae McQuade, Executive Director

**RE:** Final Minutes for the Business Practices Subcommittee - June 21, 2001

**DATE:** July 12, 2001

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**GAS INDUSTRY STANDARDS BOARD  
BUSINESS PRACTICES SUBCOMMITTEE  
Thursday, June 21, 2001 9:00 a.m. – 12:00 p.m.  
FINAL MEETING MINUTES**

**1. Administrative**

Ms. Van Pelt gave the anti-trust advice, chaired the meeting and took the meeting notes. The revised agenda was adopted as posted. The May 10, 2001 draft meeting minutes were adopted as posted. Modifications were made to the May 24, 2001 draft minutes and they were adopted as modified.

**2. BPS Issues provided by IR on May 15, 2001 re: Order 637 Transactional Reporting (see posted workpapers)**

**Issue #1: Are the Contract Begin Time and Contract End Time necessary for Transactional Reporting or are Contract Begin Date and Contract End Date sufficient to communicate the duration of the contract?**

**Discussion:**

Mr. Young stated that contracts are for a daily basis with daily quantities. Therefore, there is no reason for a contract begin and end time. In the future, there may be a need for hourly contracts, but that may be further down the road. We can modify the data sets at that time. He stated that GISB doesn't need to develop the data sets with the begin and end times at this time. Ms. Chezar stated that some pipelines have hourly services and that there are pipelines and electric generators working together on hourly tariffs. Mr. Young stated that even though there are services that are being developed on an hourly basis, contracts are still daily, not hourly. Mr. Novak stated that it is relevant to know what time the contract is effective. Mr. Gracey asked about the usage of the time data elements. Mr. Whatley stated that currently they are mandatory data elements.

Mr. Griffith stated that he understands the points being made by Ms. Chezar and Mr. Novak, but that there is a problem if we add the times only to the transactional reporting data sets without the benefit of this information being included in nominations through invoicing. Mr. Novak stated that he doesn't see how the contract ties into the other data sets. Transactional reporting reflects who has what capacity without going into how they use it. Mr. Novak stated that there is going to be a market for capacity at certain times of the day. Mr. Griffith stated that trying to isolate this in transactional reporting will confuse the use of the other data sets.

Mr. Novak suggested that we don't vote on this today. He stated that we should discuss this in as many meetings as it takes to determine the impact to the other data sets. Mr. Whatley stated that we are making a mountain out of a molehill. He stated that the time issue came up in IR during



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the discussion of changes only. Mr. Bass stated that rather than discussing the time issue in relation to all of the GISB data sets during the discussion of transactional reporting, he would like to see a new request filed in order to review the impact of adding times to the data sets. Mr. Whatley gave a more technical discussion of the issues that came up in IR.

Ms. Hess stated that the times in the other data sets are different than what we are looking at here. She stated that we may be creating a problem for ourselves. There are no times in the capacity release data sets. For example, in the award, there is a release term start and end date with no times. Therefore, putting times in capacity release transactional reporting would not be correct.

Ms. Davis stated that she feels we are here to develop reports of what has happened. If the time is not in the capacity release data sets, then we should get a request for that and then do a more wholesale review of the data sets to determine where they are needed. Mr. Novak stated that by not including times, we are going backwards. He stated that times have traditionally been used in the data sets and they default to the beginning and ending of the gas day. Mr. Novak stated that we need to be prepared for the future.

Mr. Gwilliam stated that Order 637 states that the duration of the contract should be reported. Mr. Novak stated that he wants to be able to see if a contract is being reported for less than one twenty-four hour period. Ms. Chezar stated that she believes the pipelines need this information – who has rights to a contract and for what hours of the day. She stated that she doesn't think some of the pipelines on the call have spoken to their marketing people. She feels this is something the pipelines need to do their business and that she doesn't understand this conversation.

The discussion turned to the difference between the rights of the contract versus the effective date and time of the contract. Ms. Hess stated that as long as the definitions of the contract begin time and contract end time are narrowly defined and given a usage of sender's option, she could be in support of using them. Mr. Novak stated that sender's option is a non-starter.

There was a lengthy discussion as to the difference between contract times and right to flow times or entitlement times. It was suggested that the contract times are not the same as the time(s) that a shipper may have a right to flow. It was suggested that we add both the contract begin and end time and the contract entitlement times.

Ms. Chezar objected to the fact that some people are saying that Order 637 doesn't require this information. Ms. Chezar stated that she doesn't understand the objections. She stated that she could have two four-hour contracts within a day. Mr. Novak stated that for contracts that are for a period less than twenty-four hours, the effective term is the duration. On the other hand, he acknowledged that if a contract covers more than one day but it only can flow, for example, from 3:00 p.m. to 7:00 p.m. that the duration of the contract is for the effective days of the contract and the times within each day are rights of the contract. Mr. Bass stated that he doesn't feel that the GISB standards take into consideration business done in less than a day. Mr. Gwilliam stated that hourly services would be stated as part of the special terms and conditions under the contract. Mr. Whatley stated that contract begin and end dates and times need to be defined such that they do not indicate that they are necessarily the dates / times when the shipper has the right to flow on that contract. Currently, they are defined as the first time and last time service can be provided under a contract and not the slices in the 24-hour range. If we are going to add entitlement dates and times, there needs to be the capability of handling multiple occurrences of such.

Mr. Bass objected stating that he did not believe this is covered by Order 637 and is therefore out of scope of this discussion. It should be part of a separate request. Mr. Novak stated that he



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disagreed and even though he felt that this is what FERC's intentions were, he felt they probably had not thought about contracts with flow entitlements between specific hours during the day. He felt it was easy enough just to add additional code values to cover the times.

Ms. Van Pelt expressed concerns that it is not just as simple as adding code values. Mr. Novak stated that if the contract has rights to flow for a set hourly period, that could be put in new data elements, but any other type of variation, such as the contract can flow every other hour, would belong in the special terms and conditions.

**Motion: (motioned by Mr. Whatley, seconded by Ms. McVicker)**

Instruct the Information Requirements Subcommittee to clarify the definition of contract begin date, contract begin time, contract end date, and contract end time to indicate that the dates and times are not necessarily associated with entitlement. The contract beginning and ending dates and times would be specified as mandatory. Further, instruct the Information Requirements Subcommittee to accommodate the sending of multiple beginning and ending dates and times for contractual entitlement. The contractual entitlement beginning and ending dates and times would be specified as mandatory.

**Further Discussion:**

Mr. Gracey asked what the procedures are because some parties believe that contractual entitlements are outside of the scope of Order 637 and, therefore, should not be considered under this forum. There was discussion as to whether the motion should be split into two motions. Mr. Novak stated that he would not vote for the motion if it was split into two motions because he feels duration and entitlement times are the same. Other parties stated that if the motion stayed the same, they would not be able to support it because of the scope issue as it relates to Order 637 transactional reporting.

Mr. Whatley withdrew his motion.

There will be further consideration of this issue and it will be discussed again at a face-to-face meeting on July 17, 2001. The first half of the day of the scheduled IR meeting will be used to continue discussion on this issue.

**The remainder of the BPS agenda will be discussed at the next BPS conference call on July 12.**

**3. Next meeting and agenda**

**Thursday, July 12, 2001, 9:00a.m. – 12:00p.m.**

**1. Administrative: Welcome, Antitrust Advice, Roll Call, Adoption of Agenda, Adoption of Draft Meeting Minutes for June 21, 2001**

**2. Review of the following Invoicing Round 3 Category of Business Practices Requests:**

R01014 Williams Gas Pipeline **discussion and possible vote**

**3. Review of the following Business Practices Requests:**



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R01015

Enron Transportation Services **discussion only**

4. **Discussion of BPS meeting procedures re: discussion and voting**
  5. **Next Meeting and agenda**
  6. **Adjourn**
- 
4. **Adjourn**

The meeting was adjourned at about 12:00 noon.



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## Meeting Attendees and Voting Record

Attendee	Organization	Vote 1	GISB Member?
		(nv) – not voting	
<b>Pipelines</b>			
<b>Kim Van Pelt</b>	<b>CMS Panhandle Eastern</b>		✓
Mark Wilke	CMS Trunkline Gas Co.		✓
Theresa Hess	Enron – Transwestern		✓
Tom Gwilliam	Iroquois Gas Transmission		✓
Dale Davis	Williams Gas Pipeline		✓
Mark Gracey	Tennessee Gas Pipeline		✓
Charlie Bass	Tennessee Gas Pipeline		✓
Randy Young	Gulf South Pipeline		✓
Bill Griffith	Colorado Interstate Gas		✓
Sally Wood	Colorado Interstate Gas		✓
Maureen Riter	Colorado Interstate Gas		✓
			✓
<b>Services</b>			
Pete Whatley	Dynegy		✓
Suzanne Calcagno	Enron North America		✓
Gina McMahon	BTU Watch		✓
<b>Producers</b>			
			✓
<b>End Users</b>			
<b>Bill Hebenstreit</b>	El Paso Merchant Energy		✓
Diane McVicker	Salt River Project		✓
Kelly Daly	Arizona Public Service		✓
<b>LDCs</b>			
<b>Mike Novak</b>	National Fuel Gas Distrib		✓
Dolores Chezar	Keyspan		✓
Audrey Bragg	Washington Gas		✓
<b>Associations</b>			
Mariam Arnaout	American Gas Association		✓

**Bold signifies a BPS Chair**