



Gas Industry Standards Board

1100 Louisiana, Suite 4925, Houston, Texas 77002

Phone: (713) 356-0060, Fax: (713) 356-0067, E-mail: gisb@aol.com

Home Page: www.gisb.org

TO: Rae McQuade, Executive Director
FROM: BPS Chairs (Greg Lander, Robert McAnally, Bill Hebenstreit, Kim Van Pelt, and Joyce Phillips)
RE: Final Minutes for the Business Practices Subcommittee Order No. 637 Action Items - July 13, 2000
DATE: July 13, 2000

GAS INDUSTRY STANDARDS BOARD
BUSINESS PRACTICES SUBCOMMITTEE MEETING
July 13, 2000 - 8:30am - 4:30pm
HOUSTON, TEXAS HOSTED BY CMS PANHANDLE PIPELINES
FINAL MINUTES

1. Kim Van Pelt handled the administrative functions of the meeting: Welcomed participants, gave Antitrust Advice, Roll Call, and adoption of the Agenda.

The adoption of the 6/26/2000 meeting minutes was postponed until the 7/25-26/2000 face-to-face meeting. The minutes will be re-posted with red-lining to standards, definitions, etc.

2. Review of Order No. 637 Action Item BPS Priority 1 **discussion and possible vote:** Change data sets to accommodate rates in excess of TSP's max rate. (Affects GISB Standard Nos. 5.4.1, 5.4.2, 5.4.7, 5.4.8, 5.4.9.)

Discussion:

This agenda item was originally discussed via conference call on June 26, 2000 (see the meeting minutes for details). It was added to this meeting agenda because it was felt by some that the usage of the Minimum Rate Indicator or the code values of the Lesser Rate Indicator in the Offer Upload and Offer Download should be evaluated based on the elimination of the maximum rate in Order 637.

Denise Breeden from El Paso Energy explained how the data is currently used in the Offer Upload and Download. The Lesser Rate Indicator has three code values:

Y - releaser will accept bids for less than max tariff rate (disclosed)

U - releaser will accept bids for less than max tariff rate (undisclosed)

No - releaser will not accept bids for less than maximum tariff rate

The Minimum Acceptable Rate and Minimum Acceptable Percentage of Maximum Rate is then mandatory in the Offer Upload when the Lesser Rate Indicator is Y or U.

There needs to be a way to specify the minimum rate the releaser will accept when the minimum is above maximum tariff rate.

There was discussion that there may not still be a need for the data element Lesser Rate



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Indicator. This could be accomplished by placing the minimum rate in the minimum rate field and having an indicator that tells whether the rate is disclosed or undisclosed.

There was discussion as to whether the minimum rate should be required to be disclosed when it is above maximum tariff rate.

Should we have language in the instructions to IR to limit the time period for the implementation to what was specified in the Order? We could asterisk the business standard to say that the business practice should be reviewed at the end of the FERC specified time period.

Motion:

Instruct Information Requirements to accommodate the business practice of allowing the releaser to specify a minimum rate even when that minimum rate is above the maximum tariff rate, as allowed pursuant to Order 637. IR should note in the Executive Summary of the Capacity Release Related Standards book that this business practice may expire at the end of the time period specified by FERC (September 30, 2002). The releaser may choose to specify such minimum rate as disclosed or undisclosed.

Motion by Theresa Hess, seconded Joe Kardas

Segments	Vote For	Balanced For	Vote Against	Balanced Against
End Users	1	1	0	0
LDCs	0	0	0	0
Services	1	1	0	0
Producers	0	0	0	0
Pipelines	14	2	0	0
Totals	16	4	0	0

Motion passes

3. Review of Order No. 637 Action Item BPS Priority 2 **discussion and possible vote:**

Accommodate increased frequency of posting for operationally available capacity.

Review the EC adopted standards resulting from Request No. R99033 to identify inconsistencies with FERC Order No. 637.

Discussion (Accommodate increased frequency of posting for operationally available capacity.):

It was discussed that the S89 standard adopted by the Executive Committee in GISB Request R99033 is not in conflict with the order, but is a GISB minimum. The standards adopted by GISB apply to the entire industry, including non-regulated



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entities. The content of the order only applies to regulated entities. Implementation of the FERC regulations is an individual implementation issue.

Discussion (Review the EC adopted standards resulting from Request No. R99033 to identify inconsistencies with FERC Order No. 637.):

It was discussed that the Design Capacity referred to by FERC in Order 637 is compatible with the Operating Capacity defined in S86 that was approved by the Executive Committee for GISB Request R99033. While the words in the standard S86 are different than the order, the two terms are interchangeable and no changes are needed to the adopted GISB standard.

Motion:

The term Operating Capacity as utilized in the standards approved by the Executive Committee in GISB Request R99033 represents the data necessary to comply with FERC's Design Capacity requirement, as specified in Order 637, for the posting of capacity information by the Transportation Service Provider.

(Motion by Joe Bianchi, seconded by Bill Hebenstreit.)

Segments	Vote For	Balanced For	Vote Against	Balanced Against	
End Users	1	1	1	0	0
LDCs	0	0	0	0	0
Services	1	1	0	0	0
Producers	0	0	0	0	0
Pipelines	11	2	0	0	0
Totals	13	4	0	0	0

Motion passes

Next meeting and agenda:

July 25-26, 2000 Koch Gateway 8:30-4:30

IT/FT Reporting

Partial Day Release/Recall

August 1-2, 2000 Williams 8:30-4:30

Agenda TBD (either continue with priorities 1-6 or begin 7,8,9)

August 8-9, 2000 Duke Energy 8:30-4:30

Agenda TBD (either continue with priorities 1-6 or begin 7,8,9)

Meeting was adjourned.