



Gas Industry Standards Board

1100 Louisiana, Suite 4925, Houston, Texas 77002

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TO: Business Practices Subcommittee Chairs: Greg Lander (absent), Producer Segment Vacancy, Diane McVicker (absent), Kim Van Pelt, Robert McAnally (absent)
Posting for Interested Industry Participants

FROM: Rae McQuade, Executive Director

RE: Final Minutes from the Business Practices Subcommittee Meeting

DATE: September 2, 1999

GAS INDUSTRY STANDARDS BOARD
GISB BUSINESS PRACTICES SUBCOMMITTEE MEETING
Teleconference Call: August 26, 1999
FINAL MINUTES

I. Administrative

Ms. Van Pelt chaired the meeting and welcomed the participants. Ms. Van Pelt identified the participants in a roll call. Mr. Buccigross gave the antitrust advice. The draft agenda was adopted with no changes. The minutes of August 19, 1999 were adopted as final as modified in the meeting.

II. General Requests

R97113 Submitted by Exxon.

Request: This proposal is to reclassify Standards 2.3.14, 2.3.26 and 3.3.15 to the category of "Principles".

These three standards prescribe deadlines for processing prior period adjustments. All three were passed by the Executive Committee at the March 7-8, 1996 meeting. The transcript shows that there was an initial discussion, without dissent, that they should be considered "principles", but when language additions were made, the word "standard" appeared in the text of the standards themselves. There was no explicit categorization by the EC of these as standards, nor was there recognition that the conversation regarding "principles" should be superseded.

The first one considered by the EC was 3.3.15, dealing with the invoicing of prior period adjustments (referred to as 3.25 in the transcript). The discussion of this item appears on pages 127 through 140 of the March 8, 1996 transcript. Discussions on page 129, 130 and 132 center on this item being treated as a principle. It is only on page 135, when the caveat language regarding deliberate omissions, mutual mistake of fact and contractual or statutory rights was added, that the term "standard" found its way into the text. It appears the presence of that word became determinative with respect to categorization, but the EC deliberations seem to have been heading a different direction.

Standard 2.3.14 was discussed on pages 424 through 425 and Standard 2.3.26 was discussed on pages 351 through 357 in the transcript for the same day. The discussion of these items was essentially limited to referring to 3.3.15 and incorporating the same caveat language and consistent timeframes.



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The EC discussion recognized that the industry should improve its performance with regard to finalizing numbers and these standards were crafted to establish targets towards which we should progress. Their categorization as standards rather than principles, arguably an oversight, makes them particularly difficult to implement on an absolute basis, recognizing the historical reality of industry contracts and complexities and the potential ambiguity of the caveat language. This is evidenced by the fact that these three standards were frequently discussed in Order 587 tariff filings and have been the topic of two GISB interpretations.

Discussion: It was determined to postpone action on this request until Exxon or Dynegy, co-sponsors of the request, can join the call. It was discussed that Mr. Scheel had notified GISB that he would not be present to discuss the request on this conference call and that he would allow discussion to be held on this request even though was unable to attend. Many on the call felt that, without a requester on the call, discussion would be counterproductive. The GISB office will be requested to notify the requesters that this request will be discussed at the next meeting, regardless of whether either requester is present.

Action: This request will be on the agenda for discussion at the next BPS meeting.

C97001B Submitted by Reliant Energy

Request: What should occur in the nominations, flowing gas, and invoicing related data sets if a party does not have a D-U-N-S® Number, especially in the case of government run agencies, towns and military bases?

Discussion: Ms. McQuade provided research on the request (see posted work paper). After review of the progression of meeting minutes, it was determined that this request is still pending in the Interpretations Subcommittee and that no action is needed by BPS. To assist the Interpretations Subcommittee, Mr. Young noted that it appears that S4, which was proposed by the Common Codes Subcommittee and adopted by the Executive Committee on May 20, 1999, addresses the concerns raised in this request. Although notified, a representative from Reliant Energy was not on the call to support the request.

Action: No action needed by BPS. as this request is still pending in Interpretations Subcommittee.

R97046 Submitted by TransCapacity

Request: This is a request to add two definitions to the GISB Business Practice Standards. These definitions are as follows:

1. Transportation is defined as the physical movement of gas through space and/or time.
2. A Transportation Service Provider is defined as an entity which operates physical facilities which facilities accomplish the movement of gas through space and/or time and which entity contracts with others to so move gas not owned by the entity through such facilities.

This request asks that these definitions be added to the approved list of GISB Business Practice Standards as definitions. The terms "transportation" and "Transportation Service Provider" are used in several of the existing business



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practice standards, but are currently undefined. This is in contrast to Pooling, Package ID, etc., which are defined in the standards.

These definitions would act to further clarify existing standards and provide a solid framework as additional standards are proposed and/or adopted. TransCapacity believes that providing these definitions as standards would ease the burden of additional interpretations and requests for enhancements, as well as eliminating the need for redundant definition of terms within existing and new proposed standards.

Discussion: Mr. Buccigross gave a brief overview of the request, including a reading of the proposed definitions. The discussion began with Mr. Young requesting the “/or” to be removed from the phrase “space and/or time”. Mr. Young noted, after speaking with Mr. Lander about the request, he thinks transportation always involves movement of gas through time. Mr. Buccigross also recommended the addition of standard wording that is generally used in GISB definitions. It was also discussed that instead of placing these definitions in the nominations related standards section as 1.2.x standards, they be placed in the new general standards section as 0.2.x standards. The first definition was modified as follows:

0.2.A Transportation is the term used to describe the physical movement of gas through space and time.

There was discussion on the second definition proposed by the request. Ms. Barnum asked how this definition related to the definition of Transportation Service Provider in the data set data dictionaries. Mr. Buccigross gave examples of GISB Standard Nos. 1.2.5, 1.2.8, and 1.2.9 and that these did not modify the definitions used in the data dictionary. At this time, Mr. Buccigross is not proposing that this definition should override the definition in the data dictionaries.

Mr. Keisler asked Mr. Buccigross what entity did the last “entity” refer to in the Transportation Service Provider definition. Mr. Buccigross stated that the intent is to refer to the Transportation Service Provider. Mr. Young had a question as to the general applicability of the entire last phrase of the second definition. Mr. Buccigross stated that he understood both Mr. Keisler and Mr. Young’s concerns, would think about them, and that he would post a revised proposed definition as a work paper for the next BPS meeting.

Based on the discussion, the second definition was modified as follows:

0.2.B Transportation Service Provider (TSP) is the term used to describe an entity which operates physical facilities which facilities accomplish the movement of gas through space and time and which entity contracts with others to so move gas not owned by the TSP through such facilities.

Ms. Davis went through the following scenarios with Mr. Buccigross:

First scenario: An operator moves gas from a geological formation to the surface production facilities. They may or may not also be the owner of the gas, but, in any event, they have a JOA or some other kind of arrangement with the other working interest owners to operate the facilities to get the gas out of the ground. Are they a transportation service provider? Mr. Buccigross answered yes.

Second scenario: A pipeline receives gas at a wellhead and moves it for



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someone else. Are they a transportation service provider? Mr. Buccigross answered yes, regardless of whether they are an interstate pipeline, intrastate pipeline, or gathering type company.

Third scenario: The gas moves through a plant. The operator may do something else with the gas while they are moving it from one side of the plant to another. Are they a transportation service provider? Mr. Buccigross answered yes.

Fourth scenario: The gas is delivered to an LDC that has not unbundled their services, so they move gas in their facilities both for themselves and for customers of theirs who have contracted with them to transport from the LDC city gate to them. Are they a transportation service provider? Mr. Buccigross answered yes.

Fifth scenario: The gas is delivered to an LDC that has unbundled their services so they move gas for their customers from the LDC city gate to them. In this scenario, the LDC is like any other pipeline. Are they a transportation service provider? Mr. Buccigross answered yes.

Last scenario: The pipeline delivers directly to facilities owned by an industrial customer (not going through a LDC facility). If the industrial customer owns a piece of pipe from the pipeline interconnect to their plant yard (say 1000 feet) and someone other than themselves (e.g. a marketing company) has title to the gas while it is moving through the 1000 feet of pipe, is the industrial company a transportation service provider? Mr. Buccigross stated that he didn't think that would happen, but if it did and the industrial company transported the gas for the marketing company, then yes, they would be a transportation service provider.

Mr. Buccigross stated that, in general, if someone accepts a nomination and is contracting with someone else to move their gas, then they are a transportation service provider, regardless of whether they are an interstate pipeline or have any firm customers.

Action: Mr. Buccigross will post a work paper containing a revised definition two (transportation service provider). Discussion will continue, with a possible vote, at the next meeting. (Note that no motions have been made at this time.)

III. Agenda for next meeting

The next teleconference meeting, to be held on Thursday, September 2, from 2:30 to 4:30 p.m. central, will review the following requests for discussion and possible vote:

General Request Nos. (4) R97046 Sponsorship by TransCapacity

and will review the following requests for discussion only:

General Request Nos. (2) R97113 Sponsorship by Exxon and Dynegy

IV. Adjournment

The meeting adjourned at 4:05 p.m. central.



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V. Meeting Attendees & Voting Record

Name	Company	Email Address	Voter?	Member?
Pipelines:				
Theresa Hess	Enron - Transwestern	thess@enron.com	yes	yes
Julie Unruh	Koch Gateway	unruhj@kochind.com	yes	yes
Tammy Hopkins	Enron - Florida Gas	thopkins@enron.com	yes	yes
Kelly Adolf	Williston Basin		yes	yes
Betty Barnum	Panhandle Eastern	babarnum@cmsenergy.com	yes	yes
Kim Van Pelt	Trunkline	kvanpelt@cmsenergy.com	yes	yes
Jim Keisler	Williams Gas Pipeline		no	yes
Stephanie LeCureaux	ANR	Stephanie.LeCureaux@coastalcorp.com	yes	yes
Mark Gracey	Tennessee Gas Pipeline	graceym@epenergy.com	yes	yes
Dale Davis	Williams Gas Pipeline	Dale.m.davis@wgp.twc.com	yes	yes
LDCs:				
Robert McAnally	Northwest Natural	rfm@nwnatural.com	yes	yes
Services:				
Randy Young	Koch Midstream Services	young0r@kochind.com	yes	yes
Jim Buccigross	National Registry	legaljb@tcapserv.com	yes	yes