



Gas Industry Standards Board

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TO: Business Practices Subcommittee Chairs: Greg Lander, 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 9, 1999

GAS INDUSTRY STANDARDS BOARD
GISB BUSINESS PRACTICES SUBCOMMITTEE MEETING

Teleconference Call: September 9, 1999

FINAL MINUTES

I. Administrative

Mr. Lander chaired the meeting and welcomed the participants. Mr. Buccigrosss identified the participants in a roll call and will take minutes. Mr. Lander gave the antitrust advice. The agenda was adopted as drafted without objection.

The draft minutes of September 2, 1999 were modified and the modified minutes were adopted as final.

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by the EC of these as standards, nor was there recognition that the conversation regarding "principles" should be superseded.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



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incorporating the same caveat language and consistent timeframes.

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: Mr. Lander read a work paper from the GISB Office regarding the history of this language. It stated, *inter alia*, the following:

GISB Std. No. 3.3.15 (at the time it was voted in, it was referred to as 3.25), was discussed on the pages noted in the request and several times referred to as a standard and a principle, including a statement by Mr. Bray that "this was most clearly a principle". The vote on it as a principle failed (p 141). Several other standards were discussed and voted on, and then on p 161 of the transcripts, 3.25 was reconsidered, and it was voted and passed as a standard. I can understand the confusion, but in numbering, we took the language as it passed.

GISB Std Nos. 2.3.26 and 2.3.14 were also labeled as standards because we were told to conform to 3.25 (which was later numbered 3.3.15). The ratification, which was sent out on April 17, 1996 and returned May 13, 1996, clearly identified these three as standards.

They passed with the following companies in opposition:

2.3.14: NGC, Vastar, Conoco, CNG Transmission

2.3.26: NGC, Vastar, Conoco, CNG Transmission, KN Energy

3.3.15: NGC, Vastar, Conoco, CNG Transmission, KN Energy

Motion: Mr. Lander then made the following motion which was seconded by Mr. Scheel: Transfer Request No. R97113 directly to the Executive Committee (EC) along with all relevant documents and research including ratification documentation, to be dealt with as determined by the EC.

Mr. Wallenhorst asked some questions regarding the information from the GISB office and reviewed the transcript in light of the information. He read relevant portions of the record.

Mr. Lander commented that he believed the research by the GISB office was accurate, however, the ultimate outcome could still be interpreted differently depending on your point of view.

Mr. Keisler noted that given the information it may not be necessary to bring this to the Executive Committee (EC) but it could be dealt with here.



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Mr. Lander noted that regardless of the disposition of the request by BPS, it would ultimately come before the EC anyway.

Mr. Wallenhorst noted that his interpretation of the record (including the information from the GISB Office) does not necessarily support the argument that these were passed as standards, but rather that when the EC originally dealt with these issues different language from that originally proposed was passed.

Action: The motion passed unanimously. (See attached voting record for specifics.)

III. Prioritization of Capacity Release BPS Requests

Mr. Lander reviewed the list of Capacity Release BPS requests. The requests were prioritized from number 1 (highest priority) to number 7 (lowest priority). The prioritized list (as annotated) is as follows:

1. R96115 Panhandle Eastern

Create a dataset for acceptance or errors/warnings for the Capacity Release Withdrawal Data Set.

2. R97003A Transwestern

Add validation codes to the UPPD Validation. Split into two parts on February 20, 1997. A -- should the UPPD number be unique? B - other validation codes.

3. R97011 Panhandle Eastern

Add Bidder Company Code to the detail on the Final Disposition

4. R98037 Columbia Gas

Add a non-textual data element that will tie the offers of a Not-Stand-Alone Offer together to the existing UPPD data set and the Non-Prearranged Deals data set under development

5. C97001A Reliant Energy -

What should occur in the capacity release 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

Note: There was discussion as to whether this request was transferred to BPS or whether it is still in the Interpretations Subcommittee See motion below regarding this request.

6. R97110 TransCapacity

The time appearing in the field "Posting Date/Time" should be the time that the completed Offer, Bid, Award, and Notice of Withdrawal (as applicable) first appeared on the Transportation Service Provider's Electronic Bulletin Board (EBB) as a completed activity (or reached the completed state, in the event there was no EBB involved in the transaction).



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7. R96018 TransCapacity

Develop standards for real-time capacity information.

Note: Request No. R97114 was withdrawn by the requester as the business purposes were dealt with in the completion of Request No. R97111.

Motion: Mr. Lander made the following motion regarding C97001A.

BPS finds that absent documentation definitively transferring C97001A to the BPS, this request should be dealt by the Interpretations Subcommittee.

Action: The motion passed unanimously without objection (no roll call was taken).

Motion: Mr. Lander then asked if there was any discussion or objection to the prioritization as listed above.

Action: No objections were heard and the prioritization as listed above was adopted unanimously.

IV. Agenda for next meeting

The next teleconference meeting will be held on Thursday, September 23, from 2:30 to 4:30 p.m. central. It will involve discussion only on the prioritized list of Capacity Release requests as listed above.

IV. Adjournment

The meeting adjourned at 4:30 p.m. central.



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V. Meeting Attendees & Voting Record

Name	Company	R97113	Voter?	Member?
Pipelines:				
Julie Unruh	Koch Gateway	in favor	yes	yes
Tammy Hopkins	Enron - Florida Gas	in favor	yes	yes
Kelly Adolf	Williston Basin	in favor	yes	yes
Kim Van Pelt	Trunkline	in favor	yes	yes
Jim Keisler	Williams Gas Pipeline		no	yes
Dale Davis	Williams Gas Pipeline	in favor	yes	yes
Services:				
Randy Young	Koch Midstream Services	in favor	yes	yes
Jim Buccigross	National Registry	in favor	yes	yes
Mark Scheel	Dynegy	in favor	yes	yes
Greg Lander	Skipping Stone TransCapacity	in favor		
Producers:				
Bob Wallenhorst	Exxon	in favor	yes	yes
Richard Smith	Mobil	in favor	yes	yes