

Gas Industry Standards Board

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TO: Common Codes Subcommittee Chairs, Interested Industry Participants
FROM: Rae McQuade, Executive Director
RE: Final Minutes from the Common Codes Subcommittee Meeting
DATE: February 24, 1999

I. Administrative

The meeting opened with Ms. Hopkins welcoming the participants to the meeting. Ms. Scott gave the antitrust advice. The participants introduced themselves. The agenda was adopted with a minor modification. The minutes of February 5, 1999 were adopted with no changes.

II. Review Concepts Approved as of February 5, 1999

Ms. Scott reviewed applicable deadlines for this subcommittee, should it wish to submit standards to the Executive Committee ("EC"). April 2, 1999 is the deadline for the May EC meeting. The deadline for the March EC meeting has already passed.

Mr. Scheel asked what the chairs expected to accomplish with this agenda item. Ms. Scott and Ms. Hopkins responded that they expected the group to discuss whether or not it should make any or all of the concepts standards.

The group began working from page eight of the draft minutes, which listed the concepts approved as of February 5, 1999. Mr. Lander moved, and Mr. Young seconded the following motion:

MOTION:

S1

The entity common code should not be limited, in Dun & Bradstreet Corporation terms, to the Headquarters Location and/or Single Location levels.

Discussion:

Several participants had concerns with the language as the concept was originally written in the draft minutes. Consequently, several changes were made.

After discussion about whether the motion should be for the creation of a principle or a standard, the group determined that a standard was more appropriate. Ms. Hess then asked the group where they envisioned the proposed standard would be added to the GISB standards booklet, assuming the standard was ultimately approved. Several suggestions were made, including the contracts section, the nominations section, and the EDM section. After discussion, it was agreed that the EDM section (Section 4) would be the most logical place, given the existing sections in the GISB booklets.

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During this discussion, however, it was mentioned by several that perhaps this subcommittee should request that the EC and/or the GISB office consider adding a new "General" section to the standards booklet to include standards such as the one above. This subcommittee is not comfortable undertaking such an effort, but feels it is important to bring to the EC's attention that there are a number of existing standards, as well as proposed standards like this one, that do not fit neatly into the existing sections. Mr. Scheel suggested that perhaps a "Common Codes" section would be appropriate. This issue will be added to the next agenda.

VOTE: passed unanimously

Mr. Lander then moved C2 as a principle. Mr. Young seconded the motion. (The determination to recommend that this be part of Section 4 of the GISB booklets was made after the vote was taken.)

MOTION:

P1

An entity is a person or organization with sufficient legal standing to enter into a contract or arrangement with another such person or organization (as such legal standing may be determined by those parties) for the purpose of conducting and/or coordinating natural gas transactions.

Discussion:

Ms. Hopkins asked the group whether GISB has created principles or standards in the past that specifically mention such things as legal standing. Mr. Lander thought that the proposal is worded in a way that makes it clear that the parties determine legal standing, not GISB or any other parties. Mr. Young added that he seconded the motion because it was for a proposed principle, and not a standard. He did not believe it was appropriate to have this kind of language in a standard.

VOTE: passed unanimously

Mr. Keisler moved that C4 should be adopted as a standard to be included in Section 4 of the GISB booklets. Mr. Lander seconded the motion.

MOTION:

S2

Entity common codes should be legal entities, that is, Ultimate Location, Headquarters Location, and/or Single Location (in Dun & Bradstreet Corporation ("D&B") terms). However, in the following situations, a Branch Location (in D & B terms) can also be an entity common code:

- 1. when the contracting party provides a D-U-N-S® Number at the Branch Location level; or**
- 2. to accommodate accounting for an entity that is identified at the Branch Location level.**

Discussion:

Ms. Scott suggested striking "entity repository" from the original concept since one has not been created yet. Others agreed. After further discussion, more changes were made. Ms.

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Hess asked whether this standard is consistent with the way Dun & Bradstreet defines "legal entity." Mr. Lander stated that, based upon his participation in the negotiations with Dun & Bradstreet, he believes that it would find this group's proposal consistent with its definition. Mr. Keisler agreed with Mr. Lander.

VOTE: passed unanimously

Mr. Lander moved that C6 be made a standard to be included in Section 4 of the GISB booklets. Mr. Scheel seconded.

MOTION:

S3

For GISB purposes, there should be a unique entity common code for each entity name and there should be a unique entity name for each entity common code.

Discussion:

The motion was modified after discussion. Ms. Hess felt it was important to note that this proposal represents a GISB requirement, not a Dun & Bradstreet requirement. The motion was then further modified.

Mr. Stewart noted that the end result of this standard may require the creation of a mechanism to keep track of what an identifier really represents because it will be impossible to differentiate between "Joe's Texaco" in New Orleans and "Joe's Texaco" in Houston. Mr. Hobson asked Mr. Stewart whether this mechanism would be present in the repository only or in each pipeline company's system. Mr. Stewart believed it would be sufficient for only the repository to have this mechanism. Mr. Hobson then asked whether pipelines will be required to verify with Dun & Bradstreet whether the identifier is correct. This question remained unanswered.

Ms. Hess reminded the group that it should be working under the assumption that there will in fact be a GISB repository. Others agreed.

VOTE: passed unanimously

III. Draft Standards Language to Finalize the Level Issue Regarding the Use of the D-U-N-S® Number

Mr. Stewart asked about the rules for generation of the unique identifiers. What happens currently when companies move their headquarters locations? Are new D-U-N-S® Numbers required? Mr. Lander responded that his company has moved twice and it has never been assigned a new D-U-N-S® Number.

Ms. Scott stated that she believes that, with these new standards and principle, this group has allowed for the use of D-U-N-S® Numbers at a level lower than Headquarters level. She then asked the group what needs to be done to existing GISB documentation (the GISB standards booklet, Implementation Guides, etc.) to reflect these changes.

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Ms. Hess wanted to ensure that the group revisited the "Related Standards" sections of the Implementation Guides and the 1997 Dun & Bradstreet report to GISB. (This document may be found at the bottom of the Common Codes home page; it is the third bullet item.) Ms. Scott was unsure whether this group could revise the Dun & Bradstreet recommendation. Mr. Lander noted that he recalled the EC approving the document in 1997. Therefore, he believed that the report is subject to being modified by GISB, just like anything else passed by the EC. Ms. Hess stated that she is comfortable with the idea of this group revising the document, but she does not feel it is necessary to change the screen prints and other Dun & Bradstreet proprietary information contained in the report. Discussion ensued about whether the report should be superceded or simply updated. It was determined that this item will be added to next meeting's agenda.

IV. Other Open Issues Regarding Entity Common Code Usage

Ms. Scott reminded the group that there are still a number of parked issues from the November, 1998 meeting. They are as follows:

1. Not everyone has D-U-N-S® Numbers.
2. Should parties use proprietary numbers when D-U-N-S® Numbers are not available?
3. What can we do when a company will not support the Dun & Bradstreet set-up after we have identified that company as one that needs a D-U-N-S® Number in order to be GISB compliant?
4. Should GISB own or control the entity Common Codes which are used to coordinate gas industry transactions?
5. Appalachian producers are asking Dun & Bradstreet for set-up so they will have a D-U-N-S® Number, but are being told by Dun & Bradstreet that they do not need one.
6. Do we need a central repository or is the FERC's directive enough for pipelines to post them?
7. Does it matter that, if we go to Branch level, during the up/down coordination process, the entities coordinating do not use the same Branch, or should we limit the use of Branches? (Issue is related to the pipes validating - i.e., the party is not in the pipe's database.)
8. Nominations are being rejected at the Nomination Quick Response stage because the entity Common Code is not in the database used to validate the nomination.
9. Can a pre-approval process be successfully conducted with Dun & Bradstreet or any other service provider?

Discussion about some of these items began.

1. Not everyone has D-U-N-S® Numbers. **STILL AN OPEN ISSUE.**

Ms. Hopkins asked whether the issue is that that parties do not have a Number or simply cannot get one. Mr. Lander said that Dun & Bradstreet has stated during negotiations that there is no reason why any party that wants a Number one cannot get one.

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Ms. Scott stated that she thinks some parties may not be comfortable with how to get a Number, and perhaps this group can attempt to educate them about how to get the Numbers. She added that she believed the GISB office is currently putting together some information to help solve this problem. Mr. Lander noted that in addition to this kind of information, the repository administrator should also provide information to users and potential users as to how to obtain Numbers and why potential users may need them.

Mr. Scheel asked what happens if he wants to do a deal with a company tomorrow, but learns today that it does not have a D-U-N-S® Number. He believes this group should determine what the procedure is for these situations. Ms. Hopkins noted that this should be a new parked issue.

Mr. James noted that he has personally been refused a Number when D&B learned that he was not a corporate officer.

Ms. Scott asked whether R98057B should be added to agenda for next time so the group can address the issue. (The request was sent to this group for resolution some time ago.)

In response to a question from Mr. Stewart, Ms. Scott noted that there are some pipes that eliminated their proprietary codes when the GISB standards required the use of common codes; other pipes continue to create proprietary numbers and match them against common codes. Ms. Hess stated that she believes this group can deal with R98057 and we should add it to the agenda.

Mr. Stewart added that he also thinks the group needs to discuss whether there should be time limit on how long a proprietary codes can be used when they are used in lieu of D-U-N-S® numbers.

ACTION STEP: revisit the March, 1997 D&B report to make revisions or, alternatively, create "instructions" or another kind of report to educate users/potential users.

7. Does it matter that if we go to branch, that during the up/down coordination process, the entities coordinating don't use the same branch, or should we limit the use of branches? (Issue is related to the pipes validating - i.e., the party is not in the pipe's database.) **CLOSED ISSUE.**

Ms. Scott asked whether anyone believed that this question had not been answered. No one disagreed.

9. Can a pre-approval process be successfully conducted with D&B or any other service provider? **NON-ISSUE.**

No one could recall what this issue was about or who raised it.

Therefore, **the following represent the current list of parked issues:**

1. Not everyone has D-U-N-S® numbers.

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2. Should parties use proprietary numbers when D-U-N-S® numbers are not available?
3. What can we do when a company will not support the Dun & Bradstreet set-up after we have identified that company as one that needs a D-U-N-S® number in order to be GISB compliant?
4. Should GISB own or control the entity Common Codes which are used to coordinate gas industry transactions?
5. Appalachian producers are asking Dun & Bradstreet for set-up so they will have a D-U-N-S® number, but are being told by Dun & Bradstreet that they do not need one.
6. Do we need a central repository or is the FERC's directive enough for pipelines to post them?
8. Nominations are being rejected at the Nomination Quick Response stage because the entity Common Code is not in the database used to validate the nomination.
- NEW 10. If D-U-N-S® Numbers are not available for parties to a deal that is to be executed immediately, what numbers are the parties supposed to use?
- NEW 11. How long should the use of proprietary numbers be allowed?

Ms. Hopkins informed the group that the chairs will discuss parked issues to try to group them somehow.

V. Review of TransCapacity Work Paper

Due to time constraints, this item was deferred until the next meeting.

VI. Discussion of Next Steps, Next Meeting, and Agenda

The meeting adjourned at 4:30 p.m. The next meeting will be **March 26, 1999** from **9:00 a.m. to 4:00 p.m.** at **Enron's offices.**

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Principles and Standards Approved as of February 24, 1999 **Common Codes Subcommittee**

Principles:

P1

An entity is a person or organization with sufficient legal standing to enter into a contract or arrangement with another such person or organization (as such legal standing may be determined by those parties) for the purpose of conducting and/or coordinating natural gas transactions.

Standards:

S1

The entity common code should not be limited, in Dun & Bradstreet Corporation terms, to the Headquarters Location and/or Single Location levels.

S2

Entity common codes should be legal entities, that is, Ultimate Location, Headquarters Location, and/or Single Location (in Dun & Bradstreet Corporation ("D&B") terms). However, in the following situations, a Branch Location (in D& B terms) can also be an entity common code:

1. when the contracting party provides a D-U-N-S® Number at the Branch Location level; or
2. to accommodate accounting for an entity that is identified at the Branch Location level.

S3

For GISB purposes, there should be a unique entity common code for each entity name and there should be a unique entity name for each entity common code.