



Gas Industry Standards Board

1100 Louisiana, Suite 3625, Houston, Texas 77002
Phone: (713) 356-0060, Fax: (713) 356-0067, E-mail: gisb@aol.com
Home Page: www.gisb.org

via email and posting

TO: GISB Contract Subcommittee Participants & Posting for Interested Industry Participants
FROM: Rae McQuade, Executive Director
Cary Metz, Co-Chairman, GISB Contracts Subcommittee
RE: Final Minutes of the Contracts Subcommittee Meeting – October 1, 2001
DATE:

**GAS INDUSTRY STANDARDS BOARD
GISB CONTRACTS SUBCOMMITTEE MEETING – CONFERENCE CALL
October 1, 2001 – 2:00 p.m. to 4:00 p.m. Central
FINAL MINUTES**

1. Administrative

Participants were welcomed, attendance was taken, and the antitrust statement was read. The agenda was adopted as written.

2. Task Force Process

This subcommittee was charged with the development of a long-term model contract for purchases and sales of natural gas. The subcommittee will use balanced voting where each industry segment (service, LDC, end user, pipes, and producer) will have two votes. Each participant company will have one voting representative, regardless of membership status.

3. Discussion Items

The subcommittee discussed what direction the group would take for developing a long-term model contract. The options listed on the agenda were as follows:

- Use the modified GISB as both the long term and short term contract by deleting references to short term
- Develop a standard long term addendum to the modified GISB
- Develop a separate long term contract

After discussion, a motion was made to delete all references to short term in the modified contract. The motion was supported, and no votes of dissent were voiced. As such, the recommendation will be presented during the next short term subcommittee meeting that the joint committee would like to delete all references to short term in the modified GISB.

There was no interest expressed for the development of a long-term contract.

The group discussed items that could be included in an addendum such as new taxes, new laws, and credit support; however, it was questioned if the subcommittee could reach a common ground on these issues. A straw vote was taken to determine if the subcommittee should develop a long-term addendum to the contract. The result was: 4 Yes, 9 No, and 8 abstentions. Discussions continued. A balance vote was taken to determine if there was interest in undertaking the development of a standard long-term addendum, and the result is as follows:



Gas Industry Standards Board

1100 Louisiana, Suite 3625, Houston, Texas 77002

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

Home Page: www.gisb.org

| SEGMENT | Actual Count | | | | Balanced | | |
|----------|--------------|---------|---------|-------|----------|---------|-------|
| | FOR | AGAINST | ABSTAIN | TOTAL | FOR | AGAINST | TOTAL |
| Services | 5 | 5 | 4 | 10 | 1.00 | 1.00 | 2.00 |
| LDC | | 1 | 1 | 1 | 0.00 | 1.00 | 1.00 |
| End User | 1 | 2 | 1 | 3 | 0.67 | 1.33 | 2.00 |
| Pipe | | | | 0 | 0.00 | 0.00 | 0.00 |
| Producer | | 1 | | 1 | 0.00 | 1.00 | 1.00 |
| TOTAL | 6 | 9 | 6 | 21 | 1.67 | 4.33 | 6 |

By balanced voting, the subcommittee determined there was not majority interest in developing a standard long-term addendum.

4. Conclusion

This subcommittee has looked into developing a long-term contract and has determined that the modified GISB contract can be used for both short- and long-term use. It is the recommendation of this subcommittee that the words "short-term" be removed from the modified GISB contract so companies may determine how the contract will be used within their own companies.

5. Next Steps

Short-Term Subcommittee, October 9, 2001, 2:00-4:00 CCT. The items for discussion are:

- Any changes to modified GISB resulting from joint meeting of October 1, 2001
- Vote to forward modified GISB to the GISB office for industry comment
- Proceed with Canadian addendum

6. Adjourn

The meeting adjourned 3:00 pm CCT.



Gas Industry Standards Board

1100 Louisiana, Suite 3625, Houston, Texas 77002

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

Home Page: www.gisb.org

ATTENDANCE LIST

| | | |
|----------|----------------------------------|---------------------|
| End User | Calpine | Tiffany Silvey |
| | El Paso | Bill Hebenstreit |
| | El Paso | Porter Ryan |
| | Midland Cogeneration | Cary Metz |
| | Salt River | Jim Trangsrud |
| LDC | Northwest Natural | Amy Lee |
| | San Diego Gas & Electric | Jim Woodford |
| | Sempra Energy Corp | Mike Tierney |
| Producer | ExxonMobil | Matt Cross |
| | ExxonMobil | Vernon Sevier |
| Services | AEP | John Toserio |
| | AEP | Janis Shaffer |
| | Aquila | Scott Ackerman |
| | BTUWatch | Gina McMahon |
| | Cinergy Marketing & Trading, LLC | Ellen Klecka |
| | Dominion Resources | Duane DuClaux |
| | Dynegy | Mark Scheel |
| | Dynegy | Margaret Lester |
| | Enron | Jeff Hodge |
| | IS Anderson | Ian Anderson |
| | Mirant | Stephany Whipp |
| | PPL | Anne Lovett |
| | Reliant | Paramy Graf |
| | Reliant | Ronda Alphin |
| | Reliant | Jennifer Minnis |
| | Sempra Energy Trading | Paul Mazarudy |
| | SS&L | Mark Rae |
| | Williams | David Hollingsworth |

Membership is not a requirement to participate in this or any GISB meeting. Membership is not a requirement for voting in this subcommittee.