



# Gas Industry Standards Board

1100 LOUISIANA, SUITE 4925, HOUSTON, TEXAS, 77002  
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Home Page www.gisb.org

December 5, 1997

TO: Chairs of the Day Trading Task Force for the Contracts Subcommittee, Posting on the GISB home page for interested industry participants

FROM: Rae McQuade, Executive Director

RE: Final Minutes of the December 5, 1997 Meeting

## **I. Administrative**

The meeting opened at 2:00 p.m. with Mr. Hebenstreit and Mr. Wallace welcoming the attendees to the meeting. Antitrust advice was given and the attendees were identified. Mr. Hebenstreit and Mr. Wallace were confirmed as task force chairs. The agenda was adopted.

## **II. Review of Request and Approach**

Mr. Wallace and Mr. Hebenstreit reviewed the request and the need for a standard day trading contract. The comment was made that participants should not assume that the day trade contract would not be used as a contract for longer term trades. The contract is designed as a reference document for deals done primarily over the phone. The contract general terms and conditions are from the UCC code of regulations and defines the payment date, method of confirmation, method of payment, where taxes apply, and identification of the delivery points. The proposed contract will undergo a detailed review of the proposed language paragraph by paragraph.

The contract can either be developed as a fully separate agreement or as an attachment or special provisions to the existing GISB Standard 6.3.1. It was determined to develop the contract as a fully separate agreement. Review began on the proposed contract (attached). The possibility was discussed that the GISB Day Trading contract could be used as an industry default in those cases where a prior agreement did not exist. Participants at the meeting all agreed that the group should proceed in the development of the GISB day trading contract.

There was discussion that language should be added to refer to contracts that may already be in place. Some noted that this contract should not over-ride existing master contracts already in place, and should be used only when there is not an existing master contract. The typical problems encountered in day trades are more of a price, quantity, or firm or interruptible nature of the deal -- not necessarily the general terms and conditions.

The procedure for two parties to determine that they are entering into a GISB day trading contract was discussed. The proposed contract defined the entrance into a contract by both parties using the phrase "GISB Day". If one party says "GISB Day" and the other party is silent, several participants noted that silence typically is defined as concurrence. Further concerns were raised that parties may accidentally agree to the GISB day trading contract, through the use of the phrase "GISB Day", and a more affirmative statement by both trading partners should be required.

### **Pages 1 & 2: Changes**

1. Change the title of the agreement to "General Terms and Conditions of the GISB Default Contract"
2. the parenthetical is "GISB Default Contract"
3. Section 1.1 - change fully interruptible to interruptible.
4. Section 1.2 - The parties should expressly agree to avoid misunderstandings through the silence of expressly agreed



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5. Section 1.3 - deleted, redundant with section 2.4
6. Section 2.3 - deleted a phrase "or if applicable ...contract;"
7. Section 2.4 - conforming changes -- insertion of "expressly" and change of "GISB DAY" to "GISB Default Contract"

### **III. Next Steps**

The revised contract reflecting the above changes will be made available prior to the next meeting.

### **IV. Adjourn**

The meeting adjourned at 5:30 p.m. The next meeting is scheduled for Houston at the El Paso Energy offices on January 9, from 9 a.m. to 5:00 p.m. Call the GISB office to obtain the teleconference number if you choose to monitor the meeting by phone.



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## V. Attendees<sup>1</sup>

<u>Name</u>	<u>Company</u>	<u>Phone/Fax</u> <u>Email</u>	<u>GISB</u> <u>Member</u>
Jeff Hodge	Enron Capital and Trade	713-853-6911/646-3490	✓
<b>Mike Wallace</b>	American Electric Power	614-223-1614/1687	✓
Carolyn S. Hazel	Conoco	281-293-2939/3174 carolyn.s.hazel@usa.conoco.com	✓
Linda Craft	Amoco Producing	281-366-3875/4934 linda_w_craft@amoco.com	✓
<b>Bill Hebenstreit</b>	El Paso Energy Marketing	713-757-1268/2180 hebenstreitb@epng.com	✗
Marcia S. Greenblatt	Duke Energy Trading	713-260-5502/6511 msgreenblatt@duke-energy.com	✗
Gene Veselka	Mitchell Gas Services	713-377-7282/6195	✗
Michelle L. Procell	Southern Co. Energy Marketing		✗
Marilyn Matlock	Southern Co. Energy Marketing	281-584-7219.770-821-7143 marilyn.matlock@southernenergy.com	✗
Lisa Lockhart	Conoco Inc.	381-293-2939/3826 lisa.c.lockhart@usa.conoco.com	✓
Sheila Nagel	El Paso Energy Marketing	713-757-207/2180 nagels@epenergy.com	✗
Robin Curnane	Citizens Power	617-912-6053 robin@citizenspower.com	✓
John Wright	Exxon Company, USA	713-656-6297/9276 john.g.wright@exxon.sprint.com	✓
Paul Heim	Exxon Company U.S.A.	713-656-6716/3496 paul.j.heim@exxon.sprint.com	✓
Kay. A Anderson	Exxon Company U.S.A.	713-656-8306/9276 kay.a.anderson@exxon.sprint.com	✓
Douglas Rasch	Exxon Company U.S.A.	713-656-1691/3496	✓
Mike Granberry	IBM (natural gas solutions)	713-940-1328 mgranbe@us.ibm.com	✗
Rae McQuade	GISB	713-757-4175/2491 gisb@aol.com	✓

<sup>1</sup> The attendees' names that appear in **BOLD** are committee chairs. The others are participants. One company representative from each company in attendance, regardless of membership status, is permitted to vote.