



GAS INDUSTRY STANDARDS BOARD
Executive Committee Meeting
February 12, 1998 -- 8:00 a.m. to 4:00 p.m.
The Amelia Island Hotel, Jacksonville, FL

REVISED FINAL MINUTES

I. Introductory Items

Mr. Bray welcomed the attendees and the Executive Committee (EC) members to Jacksonville. Roll was called and members and alternates were welcomed to the committee. Mr. Holbrook reviewed the antitrust guidelines. Mr. Bray noted that an educational teleconference had been held and others were planned. He also noted that the changes to the certificate of incorporation had been ratified, and also noted that the ratified standards from November and December are posted. As an update, he added that the Board of Directors has lost two members -- Mr. Miller and Mr. Couch. We have received letters of thanks from Mr. Feldman and Ms. Conway, previous members of the Executive Committee. He highlighted that there is now a link to GISB member company home pages from the GISB home page. He asked for Gas Fair volunteers from the group for the GISB booth. He noted that the upcoming Board meeting is scheduled for March 3 in Houston. As a GISB office activity, he added that the GISB office is expected to send out the membership drive letters next week. Also on the home page, he highlighted that the results of the Electronic Commerce Survey are available. For an upcoming meeting, the BPS face to face meeting is scheduled for two days in Houston, on February 19 and 20.

In explanation of the agenda, Mr. Bray noted that agenda item 7, intraday nominations standards is composed of four parts: to identify errors and omissions supported by the transcript, to review and accept the insert to the transmittal letter, the procedure for ratification of the intraday standards, and a discussion on the "lesser of rule." With the description of item 7 noted, the agenda was adopted unanimously.

The revised draft Executive Committee minutes from January 8 and 9, 1998 were reviewed and adopted with changes.

II. Proposed Standards and Interpretations

Below are the actions taken on the proposed standards and interpretations. The resulting votes are attached. A notational ballot will be sent out to EC members absent from the meeting, although the outcome of each vote taken was determined during the meeting. The proposed standards language as a result of the votes can be found on the GISB home page, in the Executive Committee area.

C97017

Mr. Lander explained the language. No changes were offered to the recommended language. Mr. Hahn asked that a statement be added that GISB would like to see government agencies adopt standards but it was considered advocacy. Mr. Lander noted that involvement by state agencies was discussed but considered advocacy. As such, the appropriate trade associations were notified, and the comment period was extended to 60 days. The motion was made to:

Adopt the interpretation as stated in the recommendation.

The motion to adopt the interpretation passed, and the interpretation was adopted unanimously with 24 votes, (Mr. Sappenfield provided a notational ballot prior to the meeting) and at least two positive votes from each segment.

R97022

For request R97022, Mr. Lander and Ms. Hess reviewed the recommendation including modifications to business practice standards, transactions and technical implementations. Ms. Van Pelt corrected errors in the technical change log on page 7:

1. Change "Sample X12 Transaction" heading to "X12 Mapping"
2. Under heading "G865SQOP - Scheduled Quantity for Operator (1.4.6), add a heading "Data element Xref to X12"

The motion was made by Mr. Walker and seconded to:

Adopt the recommendation with the above corrections.

In discussion, Ms. Davis noted that in her submitted comments, requiring the Service Requester data element in the Request For Confirmation document may be inappropriate, (please refer to supplemental materials provided for the February 11 Executive Committee meeting). She recommended a change in the usage to senders option for that data element. Mr. Lander noted that because pooling is available at all points, no changes are necessary. Ms. Corman and Mr. Lander discussed whether the changes were needed. Mr. Wallenhorst supported Ms. Davis's changes as the existing recommendation adds levels of detail and complicates the process for a marginal benefit. Mr. Bray noted that perhaps this discussion could be used as instructions to BPS to review the recommendation and make needed revisions.

Extended discussion occurred on the need for the changes proposed by Ms. Davis in her submitted comments. Mr. Lander urged the EC to give clear directions to the appropriate subcommittee, either BPS or IR, to make needed changes to the recommendation in light of better understanding of the issue. Ms. Munson observed that the industry, through this request is correcting some of errors in the confirmation-confirmation response process. She recommended that a full review of the confirmation-confirmation response process be undertaken.

After the discussion, Ms. Davis withdrew her comments and suggestions for changes to the recommendation. Mr. Scheel noted that he would support splitting out parts of the request rather than voting on them as a package. Mr. Walker, the originator of the motion did not concur with Mr. Scheel's change to the motion. Mr. Caldwell noted that this request simplified the confirmation process, and the data elements upstream and downstream package ID in question are mutually agreeable. Mr. Walker noted that the recommendation provides more flexibility than is present in the current set of standards. Mr. Scheel asked if the mutual agreement usage for upstream and downstream package ID could result in a failed nomination if a package ID is sent but the receiver of the information has not agreed to support the package ID. Mr. Lander explained that it would not result in a failed nomination. Ms. Munson added that Mr. Lander's explanation is not reflected in the business process description. Mr. Lander proposed that GISB is a continuous improvement organization and changes to the business process description may be added later.

The original motion failed with 21 affirmative votes, four votes opposed, and only one producer voting in favor. The motion failed.

Mr. Wallenhorst made a motion to:

Adopt the recommendation with the change to revert to the original usage for Service Requester in the Request For Confirmation and the Confirmation Response (page 4 of the recommendation).

The Information Requirements Subcommittee and the Technical Subcommittee will review the recommendation in light of conforming changes. The recommendation with conforming changes will be brought back to the EC for review at a subsequent meeting to ensure that all conforming changes are identified prior to member ratification.

The second motion passed, and the standards modifications were adopted with 22 votes in favor and two abstentions. There were at least two positive votes from each segment. It will not go out for ratification until April, after the conforming changes are identified.

R97057B

For request R97057B, Mr. Buccigross reviewed the recommendation. The recommendation is a modification to the technical implementation guide business process description. No changes were offered to the recommended language. The motion was made to:

Adopt the recommendation with no changes.

The language on the process description was adopted with 23 votes in favor and one abstention and at least two positive votes from each segment.

R97108A

For request R97108A, Mr. Buccigross reviewed the recommendation. It was noted that the language for standard 1.3.27 is incorrect in the recommendation. The recommendation should reflect the language on standard 1.3.27 as stated in request R97022. Mr. Scheel and Mr. Hahn noted concerns that this request modifies a standard for only one company. Ms. Davis noted that this data element was necessary for this company to comply with tariff provisions required by the Federal Energy Regulatory Commission. Mr. Hahn also expressed his concern with the use of business conditional. Mr. Novak responded that if the standard is not modified, it can be considered a degradation of service.

Ms. Davis made the motion to:

Adopt the recommendation on request R97108A with no changes other than the correction to the language for 1.3.27 to reflect the language stated in request R97022.

Mr. Scheel raised a concern that in adoption of business conditional information, we may be unintentionally adopting business practice standards. The motion failed with 18 affirmative votes and 7 votes opposed. It did not garner two affirmative votes from the producer segment.

R97115

Request R97115 was presented with no discussion. The motion was made to:

Adopt the recommendation in R97115 with no changes.

It passed with 25 affirmative votes.

III. New Requests

For R97126, 'Add an error code and message to "Table A - Internet EDM Standard Error Codes and Messages". An EDM error code is needed for EDI translation errors', the request was found in scope and the triage recommendation was adopted unanimously.

For R97127, 'Add an error message for locations and entities that indicates "inactive"', the request was found in scope and the triage recommendation was adopted unanimously.

For R97128, 'Add new service code values to the Invoice. Additional values are needed to identify firm gathering service, interruptible gathering service and gas processing service.', the request was found in scope and the triage recommendation was adopted unanimously.

For R98001, 'Modify the usage or condition of Associated Contract in the PDA and Allocation Statement.', the request was found in scope and the triage recommendation was adopted unanimously.

For R98002, 'Develop a standard contract for the long and short-term sale of natural gas and EFPs as well as having a rider for long and short-term electrical power and generating capacity.', the triage subcommittee had scope issues raised and referred the request to the Executive Committee. The motion was made and seconded to find the request within scope. In discussions, Ms. Scott noted that long term contracts have provisions that would be difficult to reach consensus as a standard, and that electric riders are not within scope. Mr. Wallenhorst and Ms. McVicker supported Ms. Scott's

observations. Ms. Gussow supported the need for this request and considered it within scope and supportive of FERC's policy. The scope motion failed with one vote in favor and 22 votes opposed.

For R98003, 'Provide the ability on the Invoice to accumulate the quantities of gas delivered/received at a point and contract to arrive at a total quantity', the request was found in scope and the triage recommendation was adopted unanimously.

IV. 1997 Annual Plan

The 1997 action items AP96001 through AP96024 were canceled with 24 affirmative votes.

V. 1998 Annual Plan

Ms. Croley gave an update on the Internet team's progress (item 2 on the Annual Plan) - the next meeting is scheduled for three days, February 23, 24, and 25. It is her expectation that a set of recommended standards for the posted information on web pages should be completed and go out for industry comment in March for consideration by the EC in April or May.

In request for chairs (for Annual Plan item 1 activities), Mr. Buccigross and Mr. Sappenfield volunteered to co-chair the Contracts Subcommittee, a position left open through Ms. Loewen's departure from the Executive Committee. For task forces reporting to the Contracts Subcommittee, Ms. Corcoran volunteered to chair the OBA Task Force, and Ms. Corman volunteered to chair the Model Trading Partner Agreement Task Force. As chairs of the Title Transfer Tracking Task Force, the chairs are Norm Walker for the pipelines, Jerry Hahn for the producers, Jim Buccigross for the services, Diane McVicker for the end users, and an LDC member to be defined to the GISB office after the meeting. The meeting for this group will be scheduled in March.

On the Annual Plan item 4, EBB-Internet Transition Plan, the team requested that the EC give guidance regarding the following question:

"Does the team address planning efforts for only transactions for EDI, or does it address standardization of the transactions for EDI and in addition some non-EDI alternative.?"

For a full reporting of the discussion, please refer to the transcripts available from Ms. Copeland of Ak/Ret Reporting. EC members and others cited reasons for support of standardization of EDI transactions only and development of products and services for the presentation of information for on-line transactions, and also for standardization of the on-line transactions on the Internet. After lengthy discussion, Mr. Bray suggested that the EBB transition planning team continue their efforts and use the section of the transcripts describing the discussion as support in their efforts. The plan should be put together in March for filing in the March 31 filing with the FERC. The plan will focus on existing needed business practices to transfer from the EBB to the Internet.

VI. ANSI

Mr. Holbrook updated the committee on the progress of his efforts to obtain ANSI accreditation as a Standards Development Organization. To date the ANSI Executive Standards Council (SDO) has received 9 positive votes, 1 abstention and 2 negative votes in a preliminary motion to accept GISB as an SDO. Six ballots are outstanding. Mr. Holbrook noted that we should have a concluding vote by February 17. The individual votes cast are not public.

Ms. Van Pelt noted that she would have a full update on the ANSI ASC X12 meeting in March along with the GISB efforts to modify several of the X12 standards to support GISB implementation.

VII. R97022

A motion was made to reconsider R97022 and have service requester added back into the adopted standard as mandatory for interconnected transportation service providers. Ms. Corman noted that more information is needed, categorization of points has not been analyzed, so that a vote should not be taken. Mr. Walker asked if a central delivery point (CPD) is an interconnected transportation service provider? Mr. Wallenhorst noted that it would be determined on a case by case basis. Ms. Van

Pelt observed that conditions are not placed on mandatory information, and Mr. Buccigross responded that it could be addressed through implementation. Mr. Buccigross made the motion to withdraw his prior motion, and have his first motion considered as request R97022B. His motion passed with no dissension.

VIII. Intraday Nominations Standards

Mr. Hahn suggested one change to the EC adopted intraday nomination standards in order to achieve consistency between GISB Standard Nos. 1.3.2 (i), (ii), (iii) and (iv). As written, GISB Standard No. 1.3.2 (i) is different than GISB Standard Nos. 1.3.2 (ii), (iii) and (iv) which he suggested was unintended.

1.3.2.i The Timely Nomination Cycle: 11:30 am for nominations leaving control of the nominating party; 11:45 am for receipt of nominations by the transporter; noon to send Quick Response; 3:30 pm for receipt of completed confirmations by transporter from upstream and downstream connected parties; 4:30 pm to provide for receipt of scheduled quantities ~~to~~ by shipper and point operator (central clock time on the day prior to flow).

There were objections made to the suggested changes, and after discussion, Mr. Hahn withdrew his changes. Mr. Ehinger noted several corrections, that though not supported by the transcripts, should be made categorized a "clean-up". Some of the corrections were made and others were left for a more comprehensive cleanup of all GISB standards. The insert to the transmittal letter to the FERC was modified to reflect that a notational ballot was received which brought the opposing votes from two to three on the final vote.

For ratification of the Intraday Nominations standards, the motion was made and seconded to support distribution of the ratification ballot in February for all EC adopted standards on the intraday standards, including the model and the standard 1.3.2ii, which includes a blank time. Once a final order is issued, the Executive Committee will specify the time in the blank. After specification, another ratification will occur for that one standard -- 1.3.2ii. The motion passed with 18 votes in favor and five votes in opposition.

On the lesser of rule, Mr. Hahn described a concern that he had which was not presented a the prior EC meeting at the point when he left that meeting. He noted that there could be a safety issue for small producers who might not have gas control tools such as pools, hub operations or other aggregation capabilities. Mr. Hahn's concern related only to the "Intraday Nomination 2" cycle which could require a 9:00 p.m. flow change. More specifically, the lesser of rule could ripple changes back to the production points which are not normally accessible during non-daylight hours. If such a change were required, the operator would find himself with an inappropriate choice of alternatives: (1) disregard the order and run an imbalance, versus (2) send a person out to make the flow change even though human safety could be at risk. Ms. McVicker noted that producers under capacity curtailment face the same problems today that Mr. Hahn described. She categorized the problem as a contractual one with the critical issue being who is assessed the imbalance penalties. For the needed coverage, Ms. Gussow noted that the safety concerns are there now and the business requires 24 hour coverage. With that full coverage, the safety issues described should be addressed. Mr. Wallenhorst emphasized that existing GISB Standard No. 1.3.4, when referring to the 24 hours per day, 7 days per week availability referred only to scheduling personnel. There is no reference in that standard to scheduled flow changes being supported on a 24 hours per day, 7 days per week basis. Ms. Corman noted that on the nominating side, it is a 24 hour business -- it should also be a 24 hour business on the confirming side. Mr. Lander suggested that with pooling and ranking, a producer could put the most at risk gas at the highest rank, so that it would be the least likely to be bumped. Mr. Betonte added that tools can be developed to separate physical management of the facilities from scheduling, and for small groups that are in high risk, firm transportation should be contracted to avoid the problems cited in the correspondence. Mr. Hahn indicated that there was clear lack of support from the EC of the concern addressed by Mr. Hahn, and thanked the EC for the discussion.

XI. Adjourn

Meeting adjourned at 4:05 p.m.

- Attachments:
1. Attendance
 2. Voting Record
 3. Standards & Interpretation Language Adopted by the Executive Committee