



GAS INDUSTRY STANDARDS BOARD

Executive Committee Meeting

March 19, 1998 -- 10:30 a.m. to 4:00 p.m.

The Wyndham Warwick Hotel, Houston, Texas

FINAL MINUTES

I. Introductory Items

Mr. Bray welcomed the attendees and the Executive Committee (EC) members to Houston. Roll was called and members and alternates were welcomed to the committee meeting. Mr. Holbrook reviewed the antitrust guidelines. Mr. Bray noted that on March 6, the second teleconference course in its educational series, Intraday Nominations, was held and it was well received. The next teleconference course in the series will be held on April 20 with the topic of GISB's Report and Comments which will be filed this month with the Federal Energy Regulatory Commission regarding RM96-1-007. A three day class of version 1.2 GISB standards is scheduled for March 23, 24, and 25 in Houston.

There were no revisions to the agenda in the meeting, and the revised agenda as distributed prior to the meeting was adopted unanimously. The revised draft minutes from February 12 with modifications were adopted unanimously. Mr. Lander asked where GISB would identify to the Federal Energy Regulatory Commission that GISB Request No. R97108A failed due to a one segment block. Its failure was not highlighted in the GISB comments to be filed on March 20. Mr. Bray responded that while it is not specifically identified, the minutes and transcripts where it was discussed and failed to get two positive votes from one of the segments will be filed with the GISB Report and Comments.

II. Proposed Standards and Interpretations

For Request No. R97096, Bill Hebenstreit, chair of the Day Trades Task Force of the Contracts Subcommittee, reviewed the recommended standard. Mr. Ehinger noted his concern that the request addressed oral contracts, as the original request did not address oral but paper contracts. Mr. Novak shared Mr. Ehinger's concerns. Ms. Gussow stated her support for the oral contract, as a means for covering after hours or weekend transactions (e.g. if gas i cut and must be replaced). Voice recording of the transaction serves as verification that the deal was agreed to be the parties. Mr. Hebenstreit noted that the majority of the transactions are already handled through the phone as "oral" contracts. Mr. Hebenstreit added in response to Mr. Hahn that it is the intent that a written agreement be put in place and the oral terms be used as the amendments to that written document. Mr. Hebenstreit noted that in a reference to the Exxon and Amoco comments, they should all be accepted into the contract. Mr. Scheel expressed concern that the request as triaged indicated a paper contract rather than oral contract and as such he questioned whether consideration of an oral contract was within GISB's scope. There was extensive discussion on the applicability of the contract as a GISB standard or model.

Mr. Smith noted that the end users see their business using more and more oral contracts and this document would save them both money and time. He urged the committee to support it. Both Mr. Buccigross and Mr. Sappenfield supported Mr. Smith's comments. Mr. Hahn asked if phone recordings were considered as the contract was drafted. Mr. Walker made a motion that this be adopted as a model and be returned to the task force for further enhancements. Mr. Buccigross seconded the motion. Ms.

Gussow noted that the contract with the changes submitted by Exxon and Amoco is needed by her segment, particularly the smaller companies that do not have the large legal staffs that some of the EC members companies retain. She supported the motion to adopt it as a model with the task force to take the EC conversation under advisement.

Mr. Bray suggested that the EC not take a vote today and send the recommendation back to the task force to consider the written comments suggested by Amoco and Exxon and to be brought back as a model. The task force should eliminate the word "oral" in the agreement. It should be considered as a written set of terms and conditions to be attached to an agreement between parties. Mr. Hebenstreit supported Mr. Bray's direction as did the members making the motion as seconding it. The procedural¹ motion was made, seconded and adopted unanimously to send the recommendation back to the task force with the instructions to consider the written comments submitted and make necessary changes and to determine if the recommendation should be presented as a standard or a model. Once completed, the revised recommendation would be brought back to the Executive Committee.

III. New Requests

For request R98004, "Develop an energy industry standardized continuing guaranty similar in form to the GISB contract", Mr. Lander described the request submitted by Idaho Power. Ms. Corman and Mr. Scheel both questioned the scope of the request. Mr. Lander explained that the organization that drafted the guaranty was more of a trade association, International Energy Credit Association, and that they approached GISB as a standards organization. The organization's gas credit managers drafted the request, and in conversations with the GISB office noted that their membership of gas credit managers is larger than GISB's membership and represents at least 80% of GISB membership. There are other methods of guaranteeing payment such as escrow and letters of credit, which are not covered in this request. Mr. Smith noted that this boiler plate language for a guarantee would be beneficial for his segment, and urged EC members to support the request. After discussion, Ms. McQuade was asked to request additional information from Idaho Power regarding the association support for the request and ask for a member of the association to present the request at a subsequent GISB EC meeting. The motion was made, seconded, and adopted unanimously to send it back to the requester for additional information.

For request R98005, "Make conforming changes to Standard 2.4.4 (Imbalance Report) and 3.4.1 (Invoicing) so that the field "Package ID" reflects "Conditional" usage making it consistent GISB Standard 1.3.24.", a motion was made, seconded and adopted unanimously to find the request within scope. A motion was made to adopt the triage recommendation to send the request to the Business Practices Subcommittee for immediate attention. The priority for "Immediate attention" would be determined by the Business Practices Subcommittee as it is added to the list of active requests. It would not be on the agenda for the meeting of the BPS to be held on March 20. The recommendation was adopted unanimously.

For request R98006, "Change the definition and condition of Allocation Rank Level so that it may be used with the "swing" Allocation Method: submitted by Columbia Gas Transmission, the motion was made, seconded and adopted unanimously to find the request within scope. A motion was made to adopt the triage recommendation to send the request to the Business Practices Subcommittee for immediate attention. The priority "Immediate attention" would be determined by the Business Practices Subcommittee as it is added to the list of active requests. It would not be on the agenda for the meeting of the BPS to be held on March 20. Mr. Novak noted that there have been questions on the definition of "swing." Mr. Wallenhorst and Mr. Lander responded that the BPS resolved the definition issues. The recommendation was adopted unanimously.

For request R98007, "Add a quantity field to the invoice, the Maximum Daily Quantity (MDQ)" submitted by Columbia Gas, the motion was made, seconded and adopted unanimously to find the request within scope. A motion was made to adopt the triage recommendation to send the request to the Business Practices Subcommittee to be addressed with the invoicing requests. The recommendation was adopted unanimously.

¹ Procedural motions require a simple majority affirmative vote of the Executive Committee members to pass.

For request R98008, "Add the data elements Offer Number and Replacement Shipper's Contract Number to the Invoice" submitted by Columbia Gas, the motion was made, seconded and adopted unanimously to find the request within scope. A motion was made to adopt the triage recommendation to send the request to the Business Practices Subcommittee to be addressed with the invoicing requests. The recommendation was adopted unanimously.

For re-prioritization of requests R97111 and R97120, Mr. Bray described the Board actions regarding the EBB-Internet transition plan presented to them on March 3, 1998. The items would not be added to the March 20 BPS meeting. Motion was made to re-prioritize the items and notify BPS of the immediate attention and it was adopted unanimously.

IV. EDM Manuals

Ms. McQuade noted that in her review of the office records, the organization failed to approve the EDM Standards Manual. The standards and reports contained within the manual had been separately approved but the convention of approving the manuals the first time that they are published did not occur for the EDM Standards Manuals. The motion was made to adopt the EDM manuals which was seconded and adopted unanimously, with 23 affirmative votes.

V. 1998 Annual Plan

For the 1998 Maintenance Plan, the task force and subcommittee chairs have agreed to the accuracy of the report. Ms. Hess was thanked for her review of the plan and her submitted corrections.

Mr. Walker reviewed the standards prepared to date by the Internet "Look and Feel" Task Force. A document was distributed (and is posted on the home page), detailing 6 principles, 8 definitions and approximately 20 standards. Ms. Croley and Mr. Kleinman were thanked by Mr. Walker as well as Ms. Van Pelt and Mr. Wallenhorst for their support of the process. On April 6, there will be another meeting to review the materials before they go out for industry comment, on April 9. The standards and principles including the FTTF Report and the segment votes would be presented as a package to be considered, commented on and voted by the Executive Committee as a package at the May meeting.

Mr. Wallenhorst presented a minority report on the standards forwarded from the Internet "Look and Feel" team. He noted that there was a clear difference of opinion on whether the download functions and content areas for the postings should be standardized, (primarily the tabled items). He does support the set of standards from the task force but requests that the task force go further to address the tabled items -- either through direction back to the task force or through direct action of the Executive Committee. Norm Walker, the chair of the Internet Team noted that he was indifferent as to the decision on whether tabling will be used in GISB.

There was discussion by Mr. Caldwell regarding the tabled issues. The motions followed "Robert's Rules of Order" but will be brought to the Process Subcommittee for review of applicability of the motion in the GISB activities. Mr. Novak noted that the use of table motions was properly executed but that it was a bad precedent to set for this group as a consensus body. He recommended preparing a disputed issues section, much like the one presented in the Intraday Nominations report. The question of tabling should be referred to the Process Subcommittee.

Procedurally, the majority report, i.e. the task force recommendations, would be voted on in May as a package. After that vote is taken, the recommendations noted in the minority report would be discussed, and could be voted on as standards, if motions are made to do so. Ms. Scott noted that it was not the intent of the minority position to be sent out for industry comment, but rather to make the EC aware of the standards that did not receive discussion or industry consensus by the task force. After discussion, Mr. Hahn supported the minority report going out for industry comment and considered as standards in May.

Mr. Lander explained that the tabled issues were not brought back up for consideration. On procedural considerations, he recommended that they be defeated before being included in the minority report. Rather than view the minority report as a minority report -- detailing alternative or additional standards, Ms. Corman offered a motion that the task force frame the threshold questions addressed in the minority report. The threshold questions should be written for the EC to address on a policy basis

rather than for the EC to consider as additional or alternate standards. Ms. Corman's motion was seconded by Mr. Scheel.

The motion was restated that the Executive Committee (1) go forward with the task force recommendations, and (2) request that the task force identify the threshold questions/issues as represented by the tabled issues and items 24 and 24A to be brought back to the Executive Committee for guidance in April, and (3) send the tabling issue as framed in the previous paragraphs to the Process Subcommittee. Mr. Ehinger disagreed with the second portion of the motion as it postponed resolving the contentious issues. Mr. Walker noted that the task force could meet on April 8 and 9 in addition to its already scheduled meeting on April 7. Mr. Hahn suggested a change to the second portion of the motion to address the tabled issues and failed item 24 and adopted item 24A not just defining threshold questions to the Executive Committee. Mr. Smith asked that the task force be instructed to deal with content or not to deal with content which was supported by Mr. Caldwell.

Ms. Corman's motion was restated that:

The Executive Committee will:

- (1) go forward with the task force recommendations,**
- (2) request that the task force un-table the tabled issues and identify the threshold questions/issues as represented by the tabled issues and items 24 and 24A to be brought back to the Executive Committee for guidance in April, and**
- (3) send the tabling issue as framed in the previous paragraph to the Process Subcommittee.**

The motion passed, and the resulting vote on the motion was 21 in favor and three opposed.

Mr. Caldwell offered a motion which he later amended to:

The Executive Committee instructs the task force to address viewing formats, nomenclature and download capabilities as they frame the issues and specifically, to explore standard nomenclature for titles and column headings to be displayed above tabular lists for documents within categories and sub-categories.

Mr. Walker noted that there are members of the task force that would state that they had met those instructions -- it is a matter of degree. Ms. Corman observed that this is why the group should frame the issues. Mr. Ehinger noted that the issue as represented in six of seven of the tabled issues is: "Should we standardize column headings and the order in which they appear?" Mr. Sappenfield supported Mr. Ehinger's statement. Mr. Caldwell's motion passed with sixteen in favor and six opposed.

VI. Process Subcommittee Update

The Process Subcommittee is currently working on a GISB Operating Practice regarding Affiliated Groups. The Executive Committee should have a draft GISB Operating Practice for consideration at its meeting in April. The Process Subcommittee will meet via teleconference call on April 3.

VII. Board of Directors Meeting -- March 3, 1998

Mr. Bray and Ms. McQuade reviewed the Board meeting results. The Board modified the bylaws to :

1. Recognize that joint committees of the Board and Executive Committee can be chaired by either EC members or Board members or both. Examples of joint committees are: Annual Plan, Membership and Process.
2. Recognize that agents for a given company can serve on the Executive Committee for a period of two years. This provision was originally in the bylaws but had a deadline, after which agents would no longer be permitted to hold seats.

The Board also passed a resolution regarding Membership Benefits Resolution which will be implemented by the end of the month. There was considerable discussion on the sunset provision. Either the provision itself or a modification to the certificate to extend the date of the sunset provision will

be considered and voted at the next Board meeting on June 18. Mr. Holbrook is in the process of filing the certificate.

VIII. ANSI

Ms. McQuade updated the committee on the progress of the organization to obtain ANSI accreditation as a Standards Development Organization. The ANSI Executive Standards Council (SDO) met the first week of March where they were to vote on GISB's accreditation. The action to vote on accreditation was tabled, and action should be taken at a subsequent meeting. Mr. Wallenhorst and Ms. Van Pelt agreed to postpone their discussion on ANSI ASC X12 efforts made by the ANSI Task Force until the next EC meeting because of the lateness of the hour.

IX. GISB Report and Comments filed with the Federal Energy Regulatory Commission Regarding RM96-1-007

Ms. McQuade and Mr. Bray noted that GISB will file their comments on March 20, and the report is available on the home page. Eleven volumes will be filed. Ms. McQuade and Mr. Bray reviewed the filing with FERC staff on March 18. It is a more comprehensive filing than the previously filed comments.

X. Intraday Nominations

This item will remain on all subsequent EC agendas until the blank time in GISB Standard No. 1.3.2(ii) is resolved. It will not be resolved until after the final order on Order 587-F, RM96-1-007 is issued.

XI. Adjourn

Meeting adjourned at 4:05 p.m.

Attachments: 1. Attendance
2. Voting Record