



# Gas Industry Standards Board

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June 5, 1998

TO: Posting on the GISB Home Page, Executive Committee Members  
FROM: Rae McQuade, Executive Director  
RE: Supplemental Materials for the Upcoming Executive Committee Meeting

Attached please find supplemental materials for the upcoming Executive Committee meeting on June 11. The materials are:

1. Comments from Enron Gas Pipeline Group on the proposed standards and interpretations to be considered for vote.
2. Process Committee Meeting Minutes of June 5, 1998
3. Work paper regarding the above meeting.
4. Triage Meeting Minutes.

cc: Dennis Holbrook

# Enron Gas Pipeline Group (“Enron”) Comments

## 1. Comments on C98005 Recommendation

### Summary of Position

Part 1 of the recommended clarification provides a different meaning for the term “previously scheduled quantity” depending on whether the “lesser of rule” is being applied during the timely cycle or during an intraday cycle.

- During the Intraday 1 and 2 cycles, the previously scheduled quantity would be the last scheduled intraday quantity.
- During the Timely cycle, the previously scheduled quantity would be the previous day Timely scheduled quantity, even if there had been a subsequent intraday confirmed quantity.

Enron believes that this distinction is arbitrary and does not track with operational practices in the industry. In sum, Enron’s concern is that this convention will lead to increased imbalances. Enron believes that a better formulation is that the previously scheduled quantity would be the most recently confirmed, scheduled quantity in all cases -- whether timely or intraday. The basic principle is that if the interconnected party does not acknowledge a flow rate change, there is no reason to expect that the flow rate will change from the current flow rate.

### Analysis

The “lesser of rule” sets forth certain confirmation protocols between interconnected parties. It includes protocols for when parties communicate, but have different confirmation quantities (the lesser of the confirmation quantities). The rule also describes the confirmation result when one of the interconnected parties does not communicate with the other party.

In their rationale, the Interpretation Subcommittee states that because intraday nominations are for a single day the confirmation rules cannot resort to a scheduled intraday quantity in the next day’s confirmation process. Enron believes that it is a mistake to mix nominations processing rules and confirmation rules, as they serve very different purposes. The reason that intraday nominations do not rollover is purely administrative (i.e. so that service requesters understand how TSPs will process the date range information in their nominations). This rule exists to ensure that service requesters can rely on the same date range rules across the grid.

In contrast, the confirmation rules exist for operational reasons. The confirmation process involves the coordination between interconnected parties and the matching of supply and transportation quantities. This coordination may involve changing the flow rate setting on remotely controlled equipment or may involve the dispatching of personnel to change plate sizes. When an interconnected party does not communicate, there is no indication that that party will be making the necessary changes on their side to effect a flow rate change.

**Example 1: Loss of Supply**

	Nominated Receipt Quantity	Confirmation Requester Quantity	Confirming Party Quantity	Confirmed Quantity per C98005	Confirmed Quantity per Enron
Day 1 Timely	100	100	100	100	100
Day 1 Intraday	40	40	40	40	40
Day 2 Timely	80	80	No Response	80	40

**Example 2: Increased Customer Need**

	Nominated Delivery Quantity	Confirmation Requester Quantity	Confirming Party Quantity	Confirmed Quantity per C98005	Confirmed Quantity per Enron
Day 1 Timely	100	100	100	100	100
Day 1 Intraday	140	140	140	140	140
Day 2 Timely	140	140	No Response	100	140

In summary, Enron believes that there is no single lesser of rule that will fit every fact situation. Enron believes; however, that the confirmation rules should strive to match to operational flows. Because there were only four subcommittee members on the call the day this issue was discussed and voted, Enron believes that this issue merits a wider debate.

Enron understands that the EC may nevertheless reach the same conclusion as the subcommittee. The point is that haste to get this interpretation into the Version 1.3 publication does not justify cursory dismissal of the operational implications of this clarification.

**2. Comments on R97111 Recommendation**

Enron is concerned about the approval of these business standards and their inclusion in the version 1.3 without the corresponding implementation instructions (data dictionary and X12 mapping). Enron is not opposed to the substance of the recommendation, nor for that matter, the sequencing of approving the business practice standards prior to work on the implementation instructions. It is Enron's firm belief that items should not be included in the published books until both the standards and the implementation instructions are available.

From our experience this mismatch creates problems. Last year GISB adopted package ID standards which were published in version 1.1, but for which the version 1.1 data dictionary and x12 did not accommodate package ID. By order 587-C, pipelines were required to comply with the new package ID standards by May 1997. However, the corresponding data dictionary and x12 needed to implement package ID were not available until the version 1.2 implementation guides sent to FERC in September 1997.

Enron recommends that the EC approve R97111, but that these standards not be included in published books until the implementation instructions are ready.



**GAS INDUSTRY STANDARDS BOARD**  
**Process Committee Meeting**  
**8:00 a.m. to 9:00 a.m. -- June 5, 1998**

**DRAFT MINUTES**

**I. Introductory Items**

Mr. Bill Boswell welcomed attendees to the call. Mr. Dennis Holbrook gave the antitrust advice. The agenda was adopted. The minutes of April 16 were adopted with minor modifications.

**II. Proposed Voting Procedures**

The three work papers were reviewed. Discussions on the need for encouraging participation and showing commitment versus balanced voting to ensure that no segment has more weight than any other segment as a result of smaller attendance. With the voting weighted, there was debate on whether more or less recommendations would pass on to the Executive Committee depending on the use of weighted votes to make decisions. The need for a quorum was debated and the alternatives do not show quorum requirements. All alternatives allow for counting everyone's' vote -- but they are weighted. For example, if 10 members of a segment vote, each vote is counted and weighted by segment. The weighted votes are totaled across segments to determine the final tally.

It was noted that voting concerns are raised relating to business practice issues rather than technical matters. A work paper was submitted relating to this issue but it was unable to be posted prior to the meeting. The question at hand is how much balance should be instilled at the subcommittee and task force level. The proposals were not intended to reduce discussion at the Executive Committee, but rather how the ideas/recommendations were forwarded to the Executive Committee. In alternative 1, the likelihood of tie votes is increased -- and if a tie occurs, both results would be reported as recommendations to the Executive Committee. It was noted that a pilot project enacting alternative 1 could be undertaken to determine how the voting mechanism would work prior to requesting action from the Executive Committee. If there is a consensus around the room, weighted voting is not needed. The current practice of minority reports would continue under any of the proposals. The Business Practices Subcommittee may need to be reformed as weighting the votes along segment lines may not work due to the nature of the topics undertaken by the Business Practices Subcommittee. Significant concerns were raised with the current voting practices at the subcommittee and task force level. The Executive Committee should determine whether a change in the voting practices should be mandated.

The motion was made that:

The current method of report segment checks is not adequate to inform the Executive Committee of the support for a particular proposal throughout the segments on a weighted basis. The segment check is not sufficient to accurately reflect what should be reported to the Executive Committee for action.

The vote failed.

Issues to be reported to the Executive Committee are:

1. No segment domination by virtue of meeting attendance.
2. Meeting attendees should be permitted to vote, weighted by segment.

3. The voting concerns raised pertain to business practices issues and should be addressed for those issues, not the technical matters such as the Technical Subcommittee or the ANSI Subcommittee.
4. Segments' inability to go to meetings should not affect their input into the decision making. Meeting arrangements may ameliorate this issue.
5. The alternatives do not address quorum issues - no quorum is required.
6. The procedures should encourage more give and take at the subcommittee and task force level.
7. The procedures should not cut off generation of ideas at the subcommittee and task force level.
8. Some segment representatives do attend meetings representing the whole segment.
9. ANSI accreditation could be jeopardized.

**III. Next Steps**

The results of this meeting will be reported to the Executive Committee.

**IV. Adjourn**

The meeting adjourned at 10:00 a.m.

**IV. Attendance**

			<u>Motion<sup>1</sup></u>	<u>Member<sup>2</sup></u>
<u>LDCs</u>	<u>Chair:</u>	Bill Boswell	Peoples Natural Gas	✓
<u>Pipelines</u>		Marcy McCain	Algonquin	✗
		Joe Bianchi	ANR Pipeline	✓
		Norm Walker	El Paso Natural Gas	✓
		Shelley Corman	Enron Northern Natural	abstain
		Julie Unruh	Koch Gateway	✗
		Joe Kardas	National Fuel Gas Supply	✓
		Mike Bray	Panhandle Eastern	✓
		Sandra Barnett	Mobile Bay	✓
		Kim Van Pelt	Texas Eastern	✓
		Joyce Phillips	Texas Eastern	not voting
		Betty Barnum	Trunkline	✗
		Dale Davis	Williams Gas Pipelines	✗
<u>Producers:</u>		Paul Keeler	Burlington Resources	✗
		Bob Wallenhorst	Exxon	abstain
		Jerry Hahn	Texaco	✓
<u>Services:</u>		Donna Scott	Enron Administrative Corp.	abstain
		Pete Whatley	Natural Gas Clearinghouse	✓
		Mark Scheel	NGC Corp.	✓
<u>End Users:</u>		Lee Smith	Midland Cogeneration	absent
<u>Administrative:</u>		Rae McQuade	GISB Executive Director	✓
		✓		
		Dennis Holbrook	General Counsel	

**VOTING RESULTS -- MOTION 1**

<u>Segment</u>	<u>Yes</u>	<u>No</u>	<u>Total Voting</u>	<u>Abstain</u>	<u>Absent</u>	<u>Not Voting</u>
Pipelines:	1	9	10	0	1	1
Producers:	1	1	2	0	1	0
LDCs:	1	0	1	0	0	0
End Users:	0	0	0	1	0	0
<u>Services:</u>	<u>2</u>	<u>0</u>	<u>2</u>	<u>0</u>	<u>1</u>	<u>0</u>
Total Votes	5	10	15	1	3	1

<sup>1</sup> The motion can be found in the minutes.

<sup>2</sup> Please note that those individuals signing in as non-members will have any membership benefits revoked. The non-member participant, when changing status to represent a member company at a meeting, should provide written correspondence signed by the primary voter of that member company prior to the meeting, so that his status can be changed and membership benefits reinstated.

June 4, 1998

To: Process Subcommittee

From: Pipeline Segment EC Members

Re: Alternative Recommendations to Proposed Voting Procedures dated May 27, 1998

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At a June 5 conference call, the Process Subcommittee will be asked to review a draft of an EC subcommittee voting procedure. The proposed procedure attempts to balance the voting rights at a subcommittee level by normalizing the votes of a segment. For example, if a segment has 10 voting members present, these votes would be equated to a maximum of five votes. (There are alternative proposals to cap the votes at 2 or 10 votes per segment).

The pipeline segment believes that these voting concerns need to be addressed as part of a set of overall process changes needed to ensure that resources are focused on meeting the Annual Plan items.

### **Pipeline EC Member Recommended Process Changes**

#### **1. Eliminate the Business Practices Subcommittee and Triage**

Most of the GISB subcommittees and task forces are able to proceed on a consensus building basis without concerns over scope, process and voting rights. In this regard the BPS is unique. Because the work of this committee involves the standardization of business practices nearly every recommendation is opposed by one or more parties. The result is that members commit resources to working out these issues at the subcommittee level, only to debate the issue start to finish at the EC – often with parties that chose to send no representation to the BPS. The proposed voting procedures would normalize the voting at the subcommittee (in at least one formulation down to two votes). This is simply moving in the wrong direction, further encouraging parties to skip the subcommittee work. The pipeline segment EC members believe that these voting concerns can be alleviated by making the following changes:

- Conduct all voting on business practices standards at the EC.
- To the extent that background discussions are needed prior to an EC vote, the EC chair or vice-chair can schedule sessions to exchange ideas on a proposed business practice. No votes would be called during such a session. Any votes on business practices would be entertained solely by the EC.
- To the extent that the EC determines that detailed work is required on a specific business practice, the EC could establish a special purpose task force. Such task forces could be comprised of specified representatives for each segment to be chosen by the respective segment.

- With elimination of the BPS subcommittee, there is a need for corresponding changes in the current Triage process. Under this recommendation, when a request initially comes before the EC, the EC would vote whether the request is in scope and would determine whether the request should be (choose one or more of the following):

1. directly sent out for industry comment and set for a vote at a subsequent meeting,
2. the subject of an EC informative session,
3. the subject of a special purpose task force, or
4. sent directly to a “technical” group.

In any event, the request will ultimately be sent out for industry comment and an EC vote.

**2. Avoid EC micro-management of “technical” matters in an effort to focus the EC on completion of significant items on the Annual Plan**

Every effort should be made to delegate technical matters within the GISB organization (i.e. matters not involving business practices such as ANSI compliance, code values and usage, x-12 mapping and instructions, implementation guide instructions). Where a technical group has reached consensus on an item, the EC should only vote on such matters on an exception basis (i.e. the item is called and EC members are asked whether there are any objections). Any such vote should be limited to a straight up or down vote. If it is determined that further changes are required to complete a technical matter, the item should be returned to the appropriate group for continued work.

**3. Any joint Board/EC committees or task forces should be chaired by both a Board and an EC representative/alternate.**

**4. All workpapers and agenda items should include a sponsor name.**



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June 2, 1998

**TO:** Triage Group -- Greg Lander, LDC Vacancy, Norm Walker, Bob Wallenhorst, Kristine Mespelli, Posting on the Home Page

**FROM:** Rae McQuade, Executive Director

**RE:** Triage Conference Call Notes -- June 2, 1998

## I. Administrative

Greg Lander opened the meeting at 4:00 p.m., welcomed the attendees to the call, gave the antitrust advice, and reviewed the requests to be covered on this call: Request Nos. R98021 to R98022. The requests can be found on the GISB Home Page ([www.gisb.org](http://www.gisb.org)) and to reduce duplicative effort are not included nor summarized in this document as those requests have not been changed in this meeting. The results of the Triage Group determinations are as follows:

**R98021** Modify the CTT segment within the Shipper Imbalance and the Transportation/Sales Invoice. In these transactions, the CTT should be the accumulation of the number of IT1 segments.

From: Columbia Gas Transmission

Triage: Technical Subcommittee

Priority: Add to the agenda as time permits.

Discussion: Ms. Van Pelt noted that the CTT segment may not be used in the future. She noted that it was not an Information Requirements Subcommittee issue. All on the call supported the direction.

**R98022** Develop standards for interactive web sites.

From: Providence Energy

Triage: Executive Committee

Priority: None set

Discussion: No further recommendation was made by the Triage Group. Scope issues were discussed -- it was unclear whether this request intended to require transportation service providers to build interactive web sites. The requester will be asked to respond to this issue in the Executive Committee meeting.

The meeting concluded at 4:30 p.m.

<b>III</b>	<b><u>Attendees</u></b>	<b><u>Name</u></b>	<b><u>Company</u></b>	<b><u>Present</u></b>
	Triage Members:	Kristine Mespelli	New England Power	✗
		Bob Wallenhorst	Exxon	✓
		Greg Lander	TransCapacity	✓
		Norm Walker	El Paso Natural Gas	✓
				<b><u>Member</u></b>
	Attendees	Dale Davis	Williams Gas Pipelines	✓
		Kim Van Pelt	Panhandle Eastern	✓
	Administrative:	Rae McQuade	GISB	