



**GAS INDUSTRY STANDARDS BOARD
EXECUTIVE COMMITTEE MEETING
Conference Call Materials
FEBRUARY 5, 2001**

**Gas Industry Standards Board
Executive Committee Meeting
February 5, 2001**



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TABLE OF CONTENTS

Tab 1.	Welcome & Opening Remarks	
		- Board and Executive Committee Members & Meeting Dates for 2001
		- Executive Committee Meeting Deliverables & Dates
		- Antitrust Guidelines
	Agenda	- Meeting Announcement & Agenda
	Minutes	- Draft Minutes of December 14, 2000
Tab 2.	FERC Order No. 637 Issue	
		- EC Adopted Proposed Standard 5.3.2
		- Excerpts from FERC Order No. 637-A
		- Federal Code of Regulations 18 CFR 284.12



**GAS INDUSTRY STANDARDS BOARD
EXECUTIVE COMMITTEE MEETING
Conference Call Materials
FEBRUARY 5, 2001**

1. Welcome and Opening Remarks

- The officers of the Executive Committee have called this conference call to discuss proposed GISB standard no. 5.3.2, which was adopted by the Executive Committee on December 14, 2000, but has not yet been ratified.
- To participate in the conference call, please call the GISB office for instructions.
- The chairman may elect to extend the hours of the meeting if more time is required to complete the agenda.
- For further assistance please reach:
Veronica Thomason at (713) 356 - 0060
- The officers presiding over the Executive Committee meeting are:
Jim Buccigross - Chairman
Mike Novak - Vice Chairman
Rae McQuade - Executive Director
Jay Costan - General Counsel
- Transcripts will be available from Jane Copeland, Ak/Ret Reporting, Inc. and can be ordered either during the meeting, or by calling 361-882-9037.



Gas Industry Standards Board

1100 Louisiana, Suite 4925, Houston, Texas 77002
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Home Page: www.gisb.org

GAS INDUSTRY STANDARDS BOARD 2000 EXECUTIVE COMMITTEE TERMS

End User Segment		Term Ending:
Diane McVicker	Principal, Fuel Supply Analyst, Salt River Project	Dec 31, 2002
Bill Hebenstreit	Vice President Contract Services, El Paso Merchant Energy	Dec 31, 2002
Kelly Daly	Partner, Morrison & Hecker, rep. Arizona Public Service Co.	Dec 31, 2001
Dona Gussow	Contracts Coordinator, Florida Power and Light	Dec 31, 2003
Tina Patton	Natural Gas Operations Administrator, Boeing	Dec 31, 2003
LDC Segment		Term Ending:
Bob Betonte	Pipeline Products Manager, Southern California Gas	Dec 31, 2002
Dolores Chezar	Manager, Federal Regulation, KeySpan Energy	Dec 31, 2002
Chris Maturo	Manager, Energy Access System Project, NIPSCO Industries	Dec 31, 2001
Mike Novak	Assistant General Manager, National Fuel Gas Distribution	Dec 31, 2003
Steve Sullivan	Regulatory Manager of Gas Supply, Consolidated Edison of NY	Dec 31, 2003
Pipeline Segment		Term Ending:
Mark Gracey	Consultant - Business Processes, Tennessee Gas Pipeline Co.	Dec 31, 2002
Bill Griffith	Director, Transmission & Storage, Colorado Interstate Gas Co.	Dec 31, 2002
Dale Davis	Team Leader, Williams Gas Pipelines	Dec 31, 2001
Theresa Hess	Manager, Enron Transportation Services	Dec 31, 2003
Kim Van Pelt	GISB Coordinator, CMS Panhandle Eastern Pipeline	Dec 31, 2003
Producer Segment		Term Ending:
Lauren Kaestner	Regulatory Consultant, BP Amoco	Dec 31, 2002
Paul Keeler	Managing Attorney, Marketing, Burlington Resources	Dec 31, 2002
Scott Brown	Manager, Supply & Transportation Support, Marathon Oil	Dec 31, 2001
Richard Smith	Director, Regulatory Affairs, ExxonMobil	Dec 31, 2003
Michael Johnson	Area Manager-Transportation and Regulatory, Chevron	Dec 31, 2003
Services Segment		Term Ending:
Mark Scheel	Manager Governmental Affairs, Dynegy Inc.	Dec 31, 2002
Carl Caldwell	Director, Consulting Services, CGI	Dec 31, 2002
Sylvia Munson	CIO, PanCanadian Energy Services	Dec 31, 2001
Jim Buccigross	Vice President, Group 8760	Dec 31, 2003
Keith Sappenfield	Director Marketing Support, Reliant Energy	Dec 31, 2003



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End User Segment		Term End:
Lee Smith	Vice President Energy Supply and Marketing, Midland Cogeneration Venture	Dec 31, 2001
Paul Karns	Director, Contracts & Regulatory, Energy Marketing and Trading Division, Florida Power and Light	Dec 31, 2001
Vicky Bailey	President, PSI Energy, Cinergy Services Corp.	Dec 31, 2001
Janie Mitcham	Vice President, Fuel and Energy Management, Reliant Energy	Dec 31, 2002
Jim Templeton	Principal, Comprehensive Energy Services	Dec 31, 2002
LDC Segment		Term End:
Bill Boswell	Deputy General Counsel, Dominion	Dec 31, 2001
Adrian Chapman	Vice President, Regulatory Affairs & Energy Acquisitions, Washington Gas Light Company	Dec 31, 2001
Reed Horting	Vice President, Gas Supply & Transportation, PECO Energy Co.	Dec 31, 2001
Walt DeForest	Senior Vice President, National Fuel Gas Distribution	Dec 31, 2002
Lee Stewart	President, Energy Transportation Services, Southern California Gas Co	Dec 31, 2002
Pipeline Segment		Term End:
Terry McGill	President, Columbia Gulf Transmission	Dec 31, 2001
John Somerhalder	President, El Paso Energy Pipeline Group	Dec 31, 2001
Stan Horton	Chairman & CEO, Enron Transportation Services Company	Dec 31, 2000
Ron Mucci	Senior Vice President Shared Services, Williams Gas Pipeline	Dec 31, 2000
Bob Reid	Senior Vice President, Colorado Interstate Gas & American Natural Resources	Dec 31, 2000
Producer Segment		Term End:
William T. Benham	Vice President, Regulatory Affairs, BP Amoco Natural Gas Group	Dec 31, 2001
Allan Knopp	Director, Regulatory Affairs, Conoco	Dec 31, 2001
Hugh Roberts	Manager of Industry and Regulatory Affairs, Marathon	Dec 31, 2001
Abigail Bailey	Regulatory Manager, Texaco Natural Gas	Dec 31, 2002
Stan Hemmeline	Manager, North America - West, ExxonMobil Gas Marketing Company	Dec 31, 2002
Services Segment		Term End:
Julie Gomez	Vice President, Enron Capital & Trade Resources	Dec 31, 2001
Greg Lander	Principal, CapacityCentral.com	Dec 31, 2001
Rick Lentz	Senior Vice President of Business Transformation, TXU Energy Trading	Dec 31, 2002
Lyn Maddox	President & CEO, PG&E Energy Trading	Dec 31, 2002
Marty Patterson	General Manager Marketing Operations, IDACORP Energy Solutions	Dec 31, 2002



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Bill Boswell is serving as chairman of the Board of Directors, Hugh Roberts is first vice-chair, and the services segment will name a Board member from its segment to serve as second vice-chair and treasurer. Rae McQuade as Executive Director serves as secretary.

**Gas Industry Standards Board
2001 Calendar
For Board and Executive Committee Meetings
And GISB Courses and Work Shops**

EC Meeting Dates¹

- Thursday, February 22 - Houston, hosted by Reliant Energy
Thursday, April 19 - Washington DC, hosted by the American Gas Association
Thursday, June 14 - Seattle, hosted by Boeing
Thursday, August 23 - Pittsburg, hosted by Dominion
Thursday, October 11 - Colorado Springs, hosted by Colorado Interstate Gas
Thursday, December 13 - New York City, hosted by KeySpan Energy

Board Meeting Dates

- Thursday, March 1 - Houston
Thursday, June 28 - Houston
Wednesday, September 19 - Houston
Wednesday, December 5 - Houston

Courses and Work Shops²

- February 2 - Order 637, Houston
March 22 - Contracts, Houston
May 4 - Changes from Version 1.4 to Version 1.5, Houston
May 24 - Contracts, Houston
July 12 - Contracts, Houston
July 20 - Imbalance Netting & Trading, Houston
Oct 23-26 - Version 1.5 Standards, Houston
November 1 - Contracts, Houston

Annual Meeting 2001

- September 20-21 - Houston, Texas

¹ The Executive Committee may choose to schedule conference calls for the months that do not already have scheduled meetings.

² The courses and work shops may offer continuing education credits (CLE, CPE).



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TO: Executive Committee members and alternates, chairs of subcommittees and task forces
FROM: Rae McQuade, Executive Director
RE: **Due Dates for activities related to Executive Committee Meetings**
DATE: January 18, 2001

Below is a schedule of due dates for activities related to Executive Committee meetings and the materials required by the Executive Committee members for their meetings:

EC Date	EC Related Activity	Due Date
Feb 22	Recommendations forwarded to the GISB office from subcommittees and task forces	Jan 25
	Industry comment period begins, recommendations distributed by the GISB office and posted	Jan 26
	New requests forwarded to the GISB office, deadline to be considered at the Feb 22 EC meeting	Feb 9
	Industry comment period ends, comments forwarded to the GISB office	Feb 20
	Other GISB EC materials such as resolutions or special reports forwarded to the GISB office	Feb 9
	EC materials sent to the printer	Feb 12
Apr 19	Recommendations forwarded to the GISB office from subcommittees and task forces	Mar 12
	Industry comment period begins, recommendations distributed by the GISB office and posted	Mar 13
	New requests forwarded to the GISB office, deadline to be considered at the Apr 19 EC meeting	Apr 5
	Industry comment period ends, comments forwarded to the GISB office	Apr 13
	Other GISB EC materials such as resolutions or special reports forwarded to the GISB office	Apr 5
	EC materials sent to the printer	Apr 9
Jun 14	Recommendations forwarded to the GISB office from subcommittees and task forces	May 7
	Industry comment period begins, recommendations distributed by the GISB office and posted	May 8



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EC Date	EC Related Activity	Due Date
	New requests forwarded to the GISB office, deadline to be considered at the Jun 14 EC meeting	Jun 1
	Industry comment period ends, comments forwarded to the GISB office	Jun 8
	Other GISB EC materials such as resolutions or special reports forwarded to the GISB office	Jun 1
	EC materials sent to the printer	Jun 4
Aug 23	Recommendations forwarded to the GISB office from subcommittees and task forces	July 16
	Industry comment period begins, recommendations distributed by the GISB office and posted	July 17
	New requests forwarded to the GISB office, deadline to be considered at the Aug 23 EC meeting	Aug 10
	Industry comment period ends, comments forwarded to the GISB office	Aug 17
	Other GISB EC materials such as resolutions or special reports forwarded to the GISB office	Aug 10
	EC materials sent to the printer	Aug 13
Oct 11	Recommendations forwarded to the GISB office from subcommittees and task forces	Sep 4
	Industry comment period begins, recommendations distributed by the GISB office and posted	Sep 5
	New requests forwarded to the GISB office, deadline to be considered at the Oct 11 EC meeting	Sep 27
	Industry comment period ends, comments forwarded to the GISB office	Oct 5
	Other GISB EC materials such as resolutions or special reports forwarded to the GISB office	Sep 27
	EC materials sent to the printer	Oct 1
Dec 13	Recommendations forwarded to the GISB office from subcommittees and task forces	Nov 6
	Industry comment period begins, recommendations distributed by the GISB office and posted	Nov 7
	New requests forwarded to the GISB office, deadline to be considered at the Dec 14 EC meeting	Nov 29
	Industry comment period ends, comments forwarded to the GISB office	Dec 7
	Other GISB EC materials such as resolutions or special reports forwarded to the GISB office	Nov 29



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EC Date **EC Related Activity**

Due Date

EC materials sent to the printer

Dec 3



**GAS INDUSTRY STANDARDS BOARD
EXECUTIVE COMMITTEE MEETING
Conference Call Materials
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1. Antitrust Guidelines

- GISB General Counsel Jay Costan will review the antitrust guidelines. The points are:

Antitrust guidelines direct meeting participants to avoid discussion of topics or behavior that would result in anti-competitive behavior including: restraint of trade and conspiracies to monopolize, unfair or deceptive business acts or practices, price discriminations, division of markets, allocation of production, imposition of boycotts, and exclusive dealing arrangements.



**GAS INDUSTRY STANDARDS BOARD
EXECUTIVE COMMITTEE MEETING
Conference Call Materials
FEBRUARY 5, 2001**

1. Adoption of Agenda

- The proposed agenda, attached, has been distributed and is available on GISB's home page.
- **The Executive Committee is requested to review the agenda, suggest changes if needed, and vote to adopt the agenda.**



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TO: GISB Executive Committee Members & Alternates, Posting for Interested Industry Participants
FROM: Rae McQuade, Executive Director
RE: Draft Agenda for Executive Committee Meeting - February 5, 2001
DATE: January 19, 2001

GAS INDUSTRY STANDARDS BOARD EXECUTIVE COMMITTEE MEETING
Monday, February 5, 2001 - 1:00 p.m. to 5:00 p.m. Central

CONFERENCE CALL ANNOUNCEMENT

The chair and vice chair of the Executive Committee (EC) have called a meeting via conference call to discuss proposed GISB Standard No. 5.3.2.

In review of proposed standard 5.3.2, as adopted by the EC on December 14, the GISB office and general counsel have received calls from FERC staff raising concerns that the proposed standard may likely be in conflict with FERC Order No. 637. In particular, FERC staff noted that shippers, once they acquired released capacity, could nominate coincident with that acquisition, on any on the nomination timelines. Moreover, it was pointed out that nominations and scheduling for released capacity transactions should be on an equal footing with shippers purchasing capacity directly from the pipeline, with no timing differences. Lastly, it was observed that the contract for such transactions should be issued within an hour of request, but not required to be executed in that timeframe.

To participate in the conference call, please call the GISB office for the number, pass code and conference leader. Excerpts from FERC Order No. 637-A and the Code of Federal Regulations, along with the text of proposed standard 5.3.2, as contained in the draft minutes of the EC meeting from December 14 should be emailed shortly and also posted on the home page. This conference call will be transcribed by Ak/Ret Reporting. Below is the draft agenda:

DRAFT AGENDA

Monday, February 5, 2001 - 1:00 p.m. to 5:00 p.m. Central

- 1:00 p.m. 1. Welcome
- Antitrust Guidelines
 - Welcome to members and attendees
 - Adoption of Agenda
 - Explanation of Procedures for transcribing in a conference call
 - Adoption of the redlined draft minutes of December 14, 2000
- 1:30 p.m. 2. Discussion on GISB Proposed Standard No. 5.3.2
- BPS Update
- 5:00 p.m. 3. Adjourn



**GAS INDUSTRY STANDARDS BOARD
EXECUTIVE COMMITTEE MEETING
Conference Call Materials
FEBRUARY 5, 2001**

1. Adoption of Minutes

- The redlined draft minutes of December 14 are posted on the home page for review and are included in these materials for vote to adopt. **The Executive Committee is requested to review the draft minutes, suggest additional changes if needed, and vote to adopt as minutes of the meetings.**



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TO: Executive Committee (EC) Members
Posting for Interested Industry Participants

FROM: Rae McQuade, Executive Director

RE: Draft Minutes from the Executive Committee (EC) Meeting - December 14, 2000

DATE: December 14, 2000

GAS INDUSTRY STANDARDS BOARD
GISB EXECUTIVE COMMITTEE MEETING
Doubletree Hotel, Houston, Texas
December 14, 2000
REVISED AND REDLINED DRAFT MINUTES

1. Administrative

Mr. Buccigross opened the meeting and welcomed the attendees. El Paso Energy and Mr. Gracey were thanked for sponsoring the meeting. Mr. Costan gave the antitrust advice. The roll was read by Ms. McQuade. In discussion on the agenda, Mr. Scheel asked why the subcommittee reports were first on the agenda. Mr. Novak noted that the subcommittee reports should be addressed first as a normal course of business as was previously agreed. The agenda was modified to add a discussion of meeting dates after the draft minutes are adopted. The agenda was so modified and adopted. The redlined draft minutes of October 12 were adopted including additional changes highlighted by Ms. Davis. The draft minutes of November 16 were adopted including the changes highlighted by Ms. Davis. The meeting dates for 2001 were reviewed by Ms. Garcia. For a full accounting of the discussion from today's meeting, the transcripts should be ordered from Ms. Jane Copeland of Ak/Ret Reporting, (361-882-9037).

2. Subcommittee Updates

Ms. Hopkins reviewed the Common Codes Subcommittee report. After discussion, it was recommended that the report be forwarded to the Information Requirements Subcommittee (IR) to determine if a recommendation should be prepared or if the effort is concluded and a recommendation is not needed. The Contracts Subcommittee efforts were reviewed by Ms. McVicker and Ms. Metz. There was discussion on the need for a separate financial hedging agreement. Mr. Novak explained that for the 2001 Annual Plan, it is merely an investigation of whether GISB can do it. Mr. Keeler stated that a standard financial hedging contract (ISDA) already exists, and may be applied to that item on the 2001 annual plan. The Imbalances Subcommittee, now chaired by Ms. Hopkins, is inactive. The Expedited Data Definition (EDD) Subcommittee efforts were reviewed by Pete Whatley. They are responding to questions from the Business Practices Subcommittee (BPS), and their efforts should conclude the subcommittee will cease to exist once the Imbalance Netting and Trading and Title Transfer Tracking responses are completed. The Electronic Delivery Mechanism (EDM) Subcommittee update was deferred to be addressed when the chairs were present (Carl Caldwell, Dick Brooks and Leigh Spangler). They have open Order No. 637 issues and should determine how to address the Sandia National Laboratories report. The Future Technology Task Force (FTTF) update given by Mr. Shahan covered the interoperability survey findings and how they will affect the operating guidelines in the standards manuals. Mr. Shahan noted that some anomalies are to be addressed -- there were possibly skewed results where a corporation



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prepared several identical surveys representing their various divisions. No recommendations are expected for version 1.5 as a result of the survey.

The BPS update was presented by Ms. Van Pelt. She informed the EC that they are concluding the second round of nominations requests, after which the flowing gas requests round 2 will be addressed, expected to begin on January 4. Mr. Keisler reviewed the IR efforts to date. They are in the process of working on imbalance data sets and capacity release. The backlog is reasonable, and there are no issues outstanding for version 1.5. Capacity Release and the revised imbalance statement should be completed in time to be published in version 1.5.

The Technical Subcommittee update was provided by Ms. Van Pelt and Ms. Breeden. They noted that the subcommittee is on track with no backlog. They are ~~expected~~ expecting an influx of work from EDD for title transfer tracking and imbalance netting and trading, all of which should be present in version 1.5. They also updated the EC on the efforts of the ANSI Subcommittee and its review of existing data sets to ensure that they are ANSI X12 compliant. Nominations and Invoices and Shipper Imbalances data sets will all be ANSI X12 compliant in version 1.5. Flowing gas data sets will be the topic of 2001 and by 2002 the review should be complete, excepting capacity release. The ANSI plan has been met exactly, with significant assistance from the American Petroleum Institute. The capacity release data set review should conclude by 2004, if it is determined that the review is necessary. Ms. Van Pelt raised the issue of how prudent it was to undertake such a time consuming review for capacity release data sets - particularly in light of XML as a possible way to trade information. The EC will undertake a procedural vote at the next meeting to determine if the capacity release review is necessary. Ms. Van Pelt noted that Ms. Breeden is leaving the subcommittee and urged the EC to support both the Technical and ANSI subcommittees with needed resources, as it could become a standards development bottleneck without additional help. Ms. Breeden was thanked for her dedication, hard work and leadership in GISB, and congratulated on her new position.

The XML Subcommittee progress was reviewed by Mr. Sappenfield and Ms. McQuade. Mr. Sappenfield made the motion, seconded by Ms. McVicker, to adopt the XML action plan. The motion carried unanimously. A break was taken.

The 2001 Annual Plan was reviewed by Mr. Sappenfield. The plan was endorsed by the Board with the recognition that priority is given to the carryover items from the 2000 plan. The provisional items are primarily to be addressed ~~to by~~ the Board. Board members who asked that these items be added to the annual plan will provide written requests for contracts action item nos. 4 and 5 before any work begins on those items. Ms. McQuade updated the EC on the Board Task Force activities in consideration of the creation of an Energy Standards Board. She noted that a strawman has been approved by the Board for discussion purposes; and Edison Electric Institute and the Pennsylvania Public Utility Commission have provided comments. All information can be downloaded from the GISB home page. The Board task force is now considering possible changes to the strawman in light of the comments received. A meeting with EEI member CEOs is planned for February 2001. Other meetings will also be held with other trade associations to solicit feedback on the strawman, once revised, to determine further changes.

3. New Requests

R00027: Request:
Submitted by Enron Transportation Services Group to add a Status data element to the header level of the Offer Download (5.4.1), Bid Download (5.4.2) and the Award Download (5.4.3), to accommodate sending the status of offers,



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bids and awards (see GISB Interpretation 7.3.43).

Triage Recommendation:

Send the request to the Business Practices Subcommittee (BPS) to be addressed in its normal course of business.

EC Discussion:

The request was found in scope through a unanimous vote. The triage recommendation was adopted through a unanimous vote.

3. Recommended Standards

Order 637 Priority Action Items 1 and 2 Revised by the Executive Committee on November 16, 2000 for GISB Standard Nos. 5.3.6 and 5.3.7

The recommendation is to modify GISB Standard Nos. 5.3.2, 5.3.6, 5.3.7, 5.3.31, 5.3.32, 5.3.35, 5.3.36, 5.3.41, and to propose new GISB Standard Nos. 5.2.z1, 5.3.z1, 5.3.z2, 5.3.z3.

Motion 1: The motion was made by Mr. Novak to adopt the proposed standards and revisions, which was seconded by Mr. Hebenstreit.

Discussion: Mr. Keeler expressed concerns with the proposed standard no. 5.3.6 – specifically in the evening nomination cycle the absence of restrictions on the recall if gas is already scheduled using the subject capacity on evening nomination cycle. The changes proposed by Mr. Keeler are noted in ~~bold~~ italic underlined text. The other changes proposed in the recommendation ~~are~~ were accepted by the motion makers.

Change: Proposed revision to GISB Standard No. 5.3.6, made by Mr. Keeler and including comments from Mr. Payne's Enron North America comments:

5.3.6 Recall terms should be agreed to in advance between the releasing and acquiring shippers.

- Where the releasing shipper wishes to recall capacity to be effective for a gas day, releases with an award posting date prior to [month day, year] are grand-fathered and the recall notice should be provided to the transportation service provider (TSP) and the acquiring shipper no later than 8:00 A.M. Central Clock Time on the nomination day.

For releases with an award posting date on or after [month day, year]:

- Timely recall notice should be provided to the TSP and the acquiring shipper no later than 9:30 A.M. and 9:45 A.M., respectively, Central Clock Time on the nomination day such that the releasing shipper may place a timely nomination for the next day's gas flow.
- Evening recall notice should be provided to the TSP and the acquiring shipper no later than ~~1:00 p.m. and 1:15 p.m.~~ 3:00 p.m. and 3:15 p.m., respectively, Central Clock Time on the nomination day such that the releasing shipper may place an evening nomination for the next day's gas flow. Such recalls should be limited to situations where the capacity has not been scheduled. Further, the nomination by the releasing shipper should be scheduled on a basis that does not bump any scheduled gas.
- Flowing Day Recall notice effective for the Intraday 1 nomination cycle should be provided to the TSP and the acquiring shipper no later than 7:45



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a.m. and 8:00 a.m., respectively, Central Clock Time on nomination day such that the releasing shipper may place an Intraday 1 nomination for the current day's gas flow. Such recalls should be limited to situations where the capacity has not been scheduled. Further, the nomination by the releasing shipper should be scheduled on a basis that does not bump any flowing gas. Releasing and acquiring shippers may agree in advance that flowing day recalls will not be permitted.

- Flowing Day Recall notice effective for the Intraday 2 nomination cycle should be provided to the TSP and the acquiring shipper no later than 2:45 P.M. and 3:00 P.M., respectively, Central Clock Time on nomination day such that the releasing shipper may place an Intraday 2 nomination for the current day's gas flow. Such recalls should be limited to situations where the capacity has not been scheduled. Further, the nomination by the releasing shipper should be scheduled on a basis that does not bump any flowing gas. Releasing and acquiring shippers may agree in advance that flowing day recalls will not be permitted.

For recallable releases, the acquiring shipper should provide a recall contact to the TSP.

Vote (M1): The motion to adopt the original November 17 recommendation failed.

Motion: Mr. Novak made the motion, seconded by Ms. McVicker to adopt the November 17 recommendation with changes proposed by Mr. Keeler and Mr. Payne to proposed standard no. 5.3.6, (changes above, noted in underlined and strikethrough text), and changes recommended by Ms. Chezar to proposed standard no. 5.3.z3:

5.3.z3 Where a Flowing Day Recall has been issued and made effective, applicable usage and fuel charges ~~volumetric charges, including commodity charges,~~ should be billed to the parties that utilize the capacity.

Discussion: Mr. Scheel noted that the timely recall notice – 9:30 a.m. posting requirement does not allow the acquiring shipper time to find replacement capacity and still make the timely nomination cycle deadline. He pointed out similar problems for the other nomination cycles.

Vote (M2): Motion failed.

Discussion: It was discussed that the entire recommendation was at risk of failing, based on the votes taken so far in the meeting. It was then agreed to review those proposed standards that might pass, and consider them on an individual basis.

Motion: Mr. Scheel made the motion to adopt the proposed standard no. 5.3.2 (as presented in the November 17 recommendation), seconded by Mr. Hebenstreit with modifications proposed by Ms. Van Pelt and Ms. Davis:

5.3.2 For biddable releases (less than 1 year):

- offers should be tendered by 12:00 P.M. on a Business Day;
- open season ends no later than 1:00 P.M. on a Business Day (evaluation period begins at 1:00 P.M. during which contingency is eliminated, determination of best bid is made, and ties are broken);
- evaluation period ends at 2:00 P.M.;
- match or award is communicated by 2:00 P.M.;



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- match response by 2:30 P.M.;

- award posting by 3:00 P.M.;

contract tendered with contract # by 4:00 P.M.; contract executed; nomination possible beginning at the next available nomination cycle for the effective date of the contract. (Central Clock Time)

For biddable releases (1 year or more):

- offers should be tendered by 12:00 P.M. four Business Days before award;

- open season ends no later than 1:00 P.M. on the Business Day before timely nominations are due (open season is three Business Days);

- evaluation period begins at 1:00 P.M. during which contingency is eliminated, determination of best bid is made, and ties are broken;

- evaluation period ends at 2:00 P.M.;

- match or award is communicated by 2:00 P.M.;

- match response by 2:30 P.M.;

- award posting by 3:00 P.M.;

- contract tendered with contract # by 4:00 P.M.; contract executed; nomination possible beginning at the next available nomination cycle for the effective date of the contract. (Central Clock Time)

For non-biddable releases:

Timely Cycle

- posting of prearranged deals not subject to bid are due by 9:30 A.M. on a Business Day;

- contract tendered with contract # by 10:30 A.M.; contract executed; nomination possible beginning at the next available nomination cycle for the effective date of the contract.

Evening Cycle

- posting of prearranged deals not subject to bid are due by 4:00 P.M. on a Business Day;

- contract tendered with contract # by 5:00 P.M.; contract executed; nomination possible beginning at the next available nomination cycle for the effective date of the contract.

Intraday 1 Cycle

- posting of prearranged deals not subject to bid are due by 8:00 A.M. on a Business Day;

- contract tendered with contract # by 9:00 A.M.; contract executed; nomination possible beginning at the next available nomination cycle for the effective date of the contract.

Intraday 2 Cycle

- posting of prearranged deals not subject to bid are due by 3:00 P.M. on a Business Day;

- contract tendered with contract # by 4:00 P.M.; contract executed; nomination possible for beginning at the next available nomination



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cycle for the effective date of the contract. (Central Clock Time)

and the following instructions (which are not part of the proposed standard:

Modify proposed standard no. 5.3.2 as shown above, adopt it and transfer it to the Interpretations Subcommittee and Business Practices Subcommittee for review and updating of existing standards and interpretations. Any additional modifications should be brought back to the E.C. at its February 2001 meeting and approved prior to the 5.3.2 being fully staffed and / or member ratified.

Vote (M3): Failed.

Motion: Ms. Kaestner ~~offered~~made the following motion to ~~amendment to~~ proposed standard no. 5.3.7 ~~as a compromise~~, seconded by Paul Keeler:

5.3.7 ~~There should be no partial day recalls of capacity.~~ Transportation service providers should support the function of reuputting by releasing shippers.

~~And leave GISB Standard No. 5.3.6 as it currently reads in version 1.4:~~

~~**5.3.6** If the releasing shipper wishes to recall capacity to be effective for a gas day, then notice should be provided to the transportation service provider and the acquiring shipper no later than 8:00 a.m. Central Clock Time on nomination day.~~

Discussion: It was noted that Ms. Kaestner's motion did not include any proposed changes to GISB Standard No. 5.3.6 as it currently reads in version 1.4.

Mr. Novak noted that he would agree with this as long as there is a letter to the FERC explaining that the EC has reached a point where there is a disagreement on treatment of partial day recalls.

Vote (M4): The motion failed.

Motion: Mr. Novak made the following motion, seconded by Mr. Scheel:

(1) Modify 5.3.2 as most recently voted upon and transfer 5.3.2 to Interpretations Subcommittee and Business Practices Subcommittee for review and updating of existing standards and interpretations. Any additional modifications should be brought back to the E.C. at its February 2001 meeting and approved prior to the 5.3.2 being fully staffed and / or member ratified.

(2) Provide a status report to the FERC that no consensus progress can be made on the following proposed standards and/or modifications to standards: 5.3.6, 5.3.7, 5.3.z3 and 5.2.z1. Some parties believe that the basis for these modifications lies within FERC Order No. 637 while others believe that no such basis exists. Others, irrespective of the FERC Order No. 637 issue, believe that flowing day recall is a valid business process, (e.g., some parties support the business process but disagree with the proposed recall timelines, while others believe that certain aspects of the business process may be operationally disruptive). No further progress can be made on this issue at this point and time.

(3) The report would include relevant minutes and written comments.

Vote (M5): The motion failed.

Motion: Mr. Novak made the following motion, seconded by Mr. Hebenstreit:



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Provide a status report to the FERC that no consensus progress can be made on the following proposed standards and/or modifications to standards: 5.3.6, 5.3.7, 5.3.z3 and 5.2.z1. Some parties believe that the basis for these modifications lies within FERC Order No. 637 while others believe that no such basis exists. Others, irrespective of the FERC Order No. 637 issue, believe that flowing day recall is a valid business process, (e.g., some parties support the business process but disagree with the proposed recall timelines, while others believe that certain aspects of the business process may be operationally disruptive). No further progress can be made on this issue at this point and time.

The report would include relevant minutes and written comments.

Vote (M6): The procedural motion passed with 15 in favor, 4 opposed and 1 abstaining.

Motion: Mr. Scheel made the following motion, seconded by Mr. Novak:

Modify 5.3.2 as most recently voted upon and transfer 5.3.2 to Interpretations Subcommittee and Business Practices Subcommittee for review and updating of existing standards and interpretations. Any additional modifications should be brought back to the EC at its February 2001 meeting and approved prior to the 5.3.2 being fully staffed and / or member ratified.

[\[Note for clarity in the minutes: following is the '5.3.2 as most recently voted upon' in this E.C. meeting\]](#)

5.3.2 For biddable releases (less than 1 year):

- offers should be tendered by 12:00 P.M. on a Business Day;
- open season ends no later than 1:00 P.M. on a Business Day (evaluation period begins at 1:00 P.M. during which contingency is eliminated, determination of best bid is made, and ties are broken);
- evaluation period ends at 2:00 P.M.;
- match or award is communicated by 2:00 P.M.;
- match response by 2:30 P.M.;
- award posting by 3:00 P.M.;
- contract tendered with contract # by 4:00 P.M.; contract executed; nomination possible beginning at the next available nomination cycle for the effective date of the contract. (Central Clock Time)

For biddable releases (1 year or more):

- offers should be tendered by 12:00 P.M. four Business Days before award;
- open season ends no later than 1:00 P.M. on the Business Day before timely nominations are due (open season is three Business Days);
- evaluation period begins at 1:00 P.M. during which contingency is eliminated, determination of best bid is made, and ties are broken;
- evaluation period ends at 2:00 P.M.;
- match or award is communicated by 2:00 P.M.;
- match response by 2:30 P.M.;
- award posting by 3:00 P.M.;



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-
- contract tendered with contract # by 4:00 P.M.; contract executed; nomination possible beginning at the next available nomination cycle for the effective date of the contract. (Central Clock Time)

For non-biddable releases:

Timely Cycle

- posting of prearranged deals not subject to bid are due by 9:30 A.M. on a Business Day;
- contract tendered with contract # by 10:30 A.M.; contract executed; nomination possible beginning at the next available nomination cycle for the effective date of the contract.

Evening Cycle

- posting of prearranged deals not subject to bid are due by 4:00 P.M. on a Business Day;
- contract tendered with contract # by 5:00 P.M.; contract executed; nomination possible beginning at the next available nomination cycle for the effective date of the contract.

Intraday 1 Cycle

- posting of prearranged deals not subject to bid are due by 8:00 A.M. on a Business Day;
- contract tendered with contract # by 9:00 A.M.; contract executed; nomination possible beginning at the next available nomination cycle for the effective date of the contract.

Intraday 2 Cycle

- posting of prearranged deals not subject to bid are due by 3:00 P.M. on a Business Day;
- contract tendered with contract # by 4:00 P.M.; contract executed; nomination possible for beginning at the next available nomination cycle for the effective date of the contract. (Central Clock Time)

Vote (M7): The motion passes.

Motion: Mr. Novak made the following motion to adopt proposed standard no. 5.3.35, which was seconded by Mr. Ishikawa:

5.3.35 Unless the affected party and the Transportation Service Provider (TSP) have agreed to exclusive notification via EDI/EDM, the affected party should provide the TSP with at least one Internet E-mail address to be used for Electronic Notice Delivery of intraday bumps, operational flow orders, recall notices and other critical notices. The obligation of the TSP to provide notification is waived until the above requirement has been met.

Vote (M8): The motion fails.

Motion: Mr. Spangler made the following motion, seconded by Mr. Scheel, regarding adoption of proposed standard no. 5.3.31:

5.3.31 Transportation Service Providers which support capacity release should accept and process uploads of biddable capacity release offers from releasing shipper(s) (or its authorized third party service provider), provided the offer is received by the Transportation Service Provider at



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their designated site by 11:45 A.M. CCT on a Business Day. Such received offer, if determined to be valid, should be posted as an Offer and should be available for bidding by 12:00 PM CCT (the normal posted-by deadline and start of bidding time) on that Business Day or the Releasing Shipper's specified Business Day (if later than the received Business Day).

5.3.32 Transportation Service Providers which support capacity release should accept and process uploads of capacity release bids from potential acquiring shipper(s) (or its authorized third party service provider), provided the bid is time-stamped as leaving control of the bidder no later than 1:00 P.M. of the applicable deadline day and is received by the Transportation Service Provider at their designated site by 1:15 P.M. Such timely bid, if determined to be valid, should be evaluated by the Transportation Service Provider for the purpose of identifying the winning bidder associated with the Offer upon which the bid was made.

Vote (M9): The motion passes.

Motion: Mr. Novak made the following motion to adopt proposed standard no. 5.3.36, seconded by Mr. Maturo:

5.3.36 Transportation Service Providers (TSP) should support the concurrent sending of electronic notification of intraday bumps, operational flow orders, recall notices and other critical notices to two Internet E-mail addresses for each affected party. If the TSP elects to delegate the notice requirement to the original recalling shipper, that shipper, upon provision of applicable contact information, if available, from the TSP, should issue the recall notice to all affected contracting parties in the release chain.

Action: After discussion, the motion was withdrawn.

Action: For recently passed GISB Standard No. 5.3.31 modifications, the point is to address the timeline for biddable offers, and not to exclude an upload of non-biddable offers. The language for GISB Standard Nos. 5.3.31 and 5.3.32 should be forwarded to BPS and Interpretations Subcommittee for scrubbing.

Motion: Mr. Novak made the motion, seconded by Mr. ~~Keeler~~Love, to send 5.3.36, ~~and 5.3.35 and 5.3.xx~~ back to BPS ~~to be considered with 5.3.xx~~with a high priority for consideration after which it would be sent out for industry comment.

5.3.xx To effect the provision of a notice of recall (and subsequent reput) of released capacity, releasing shippers and acquiring shippers should provide each other with the email address(es) of their respective representatives responsible for sending and receiving Recall and Reput notices. Acquiring shippers who re-release capacity should also provide the respective email addresses of their acquiring shippers to their original releasing shipper.

Vote (M10): The procedural motion passed unanimously.

Motion: Mr. Novak made the motion seconded by Ms. McVicker, to adopt the proposed changes to standard no. 5.3.41, and new standards 5.3.z1 and 5.3.z2, after which they would be transferred to the Interpretations Subcommittee and Business Practices Subcommittee for review and updating of existing standards and interpretations. Any additional modifications should be brought back to the EC at its February 2001 meeting and approved prior to the standards being fully



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staffed and / or member ratified.

5.3.41 The display of capacity release data for an Offer should be selected from a summary list of Offers. The summary list should be comprised of the following:

Offer Number

Release Term Start Date

Release Term End Date

Recall Cycle Indicator

Location Information as applicable, and/or navigation to detail

Maximum Offer Quantity – Contract

Biddable Deal Indicator

other data elements, if applicable

5.3.z1 A release which takes effect during a gas day shall not be available for recall until the day following the effective date of the release.

5.3.z2 Recall notices should contain at least the affected Service Requester Contract(s) and the effective date/cycle.

Vote (M11): The motion passed.

Order 637 Priority Action Items 3

Motion: The motion was made by Ms. Davis and seconded by Mr. [Spangler Hebenstreit](#) to adopt the recommendation as presented:

Modify GISB Standard No. 5.3.22 to:

5.3.22 Converting a daily rate to a monthly rate is accomplished by multiplying the daily rate times the number of days in the rate period, dividing the result by the number of months in the rate period, taking the remainder out to 5 decimal places, and rounding up or down to the transporter's specified decimal place.

Modify the data dictionary for the Offer Download (5.4.1), Bid Download (5.4.2), Award Download (5.4.3), Offer Upload (5.4.7), and Offer Upload Notification (5.4.9).

Delete the code values table for the deleted data element Lesser Rate Indicator in the Offer Download (5.4.1) and Offer Upload (5.4.7).

Add a code values table for the new data element Minimum Rate Disclosure Indicator in the Offer Upload (5.4.7).

Modify the code values tables for the validation codes in the Offer Upload Quick Response (5.4.8) and the Bid Upload Quick Response (5.4.19).

Modify the Capacity Release Executive Summary.

Vote (M12): The motion passed.

R98084 Add the data element "Extension" to the Measurement Volume Audit Statement (2.4.6).

Motion: The motion was made by Mr. Love and seconded by Ms. Davis to adopt the recommendation as presented.

Add the data element "Extension" to the Measurement Volume Audit Statement (2.4.6):



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Business Name (Abbreviation)	Definition	EDI/FF Usage	Condition
Extension (Ext)	A factor used to calculate the gas volume for orifice type meters, <u>which is the average square root of the differential pressure times the absolute pressure.</u>	MA	Used only for orifice meters.

Discussion: ~~During the Discussion, the motion makers agreed to modify changes~~ the data element definition to drop the last phrase because the calculation presented was not precise and therefore the definition was ambiguous.

The revised motion:

Adopt the following.

Add the data element "Extension" to the Measurement Volume Audit Statement (2.4.6):

<u>Business Name (Abbreviation)</u>	<u>Definition</u>	<u>EDI/FF Usage</u>	<u>Condition</u>
<u>Extension (Ext)</u>	<u>A factor used to calculate the gas volume for orifice type meters.</u>	<u>MA</u>	<u>Used only for orifice meters.</u>

Vote (M13): The motion passed unanimously.

R96124 In discussion, Mr. Keisler asked that the recommendation be returned to IR Subcommittee for further work, in light of the comments received. He expected that it can be sent out for comment again after modifications, and considered at the EC meeting in February.

Motion: The motion was made by Ms. Van Pelt and seconded by Ms. Davis to support Mr. Keisler's request, send R96124 back to Information Requirements Subcommittee for review in light of the comments received and to resubmit for consideration at the February E.C. meeting.

Vote (M14): The procedural motion passed unanimously.

Minor Corrections and Clarifications:

Item 1: Submitted by El Paso Natural Gas.

For the imbalance netting and trading standards referenced by request nos. 1999AP7, R97117 and R97118, the adopted and ratified standard D2 contained a typographical error. It referred to "positive or negative" imbalances rather than "positive and negative" imbalances. D2 should read as:

D2: Netting is the term used to describe the process of resolving imbalances for a Service Requester within an Operational Impact Area. There are



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two types of Netting:

- summing is the accumulation of all imbalances above any applicable tolerances for a Service Requester or agent.
- offsetting is the combination of positive and negative imbalances above any applicable tolerances for a Service Requester or agent.

Motion: The motion was made by Mr. Scheel and seconded by Mr. Hebenstreit to adopt the minor correction and clarification.

Vote (M15): The motion passed.

[Ms. McQuade noted that this will now be posted for two weeks.](#)

Item 2: **For R96007/R96008:** Mr. Keisler explained that minor changes are needed to use correct abbreviations and conforming language. At the October EC meeting, Requests R96007 and R96008, which were addressed on the same Recommendation form, were approved as modified. Since that approval, two minor problems with the recommendation have come to light.

- 1) In the Request for Information transaction, the definition in the Code Values Dictionary for the data element Allocation Transaction Type Code should be "[no definition necessary]" rather than "[no definition needed]."
- 2) In the Request for Information transaction, the abbreviation for the data element Service Requester should be "Svc Req" rather than "Serv Req."

Motion: The motion was made by Ms. Davis and seconded by Ms. Van Pelt to adopt the minor ~~correction and~~ clarifications s and corrections.

Vote (M16): The motion passed.

4. Election of Officers for 2001

Mr. Buccigross and Mr. Novak were reelected as the chair and vice-chair, respectively, for 2001.

5. Adjourn

The meeting adjourned at 4:30 p.m.



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6. Executive Committee Attendance & Voting

Present	M1	M2	M3	M4	M5	M6	M7	M8	Member
									End Users:
Y	A	A	Y	A	Y	Y	Y	Y	Bill Hebenstreit
Y	A	A	A	A	Y	Y	Y	Y	Diane McVicker
Y	A	A	A	A	Y	Y	Y	Y	Dona Gussow
Y	A								Joel Greene for Kelly Daly
Y	A		A	A	Y	Y	Y	Y	John Ebner for Tina Patton
									LDCs:
Y	Y	Y	A	A	Y	Y	A	Y	Dolores Chezar on the phone
Y	A	Y	A	A	Y	Y	Y	Y	Mike Novak
Y	A	Y	A	A	Y	Y	Y	Y	Chris Maturo
Y	Y	Y	A	A	Y	Y	Y	Y	Rick Ishikawa for Bob Betonte
Y	Y	Y	A	A	Y	Y	A	Y	Steve Sullivan on the phone
									Pipelines:
Y	N	N	Y	N	A	N	Y	N	Bill Griffith
Y	N	N	Y	A	A	N	Y	A	Dale Davis
Y	N	N	Y	A	A	N	Y	N	Paul Love
Y	N	N	Y	N	N	N	Y	N	Kim Van Pelt
Y	N	N	Y	A	N	A	Y	A	Mark Gracey
									Producers:
Y	N	N	Y	Y	Y	Y	Y	Y	Paul Keeler
Y	N	N	Y	Y	Y	Y	Y	Y	Lauren Kaestner
Y	Y								Richard Smith (ballot)
									Mike Johnson
									Scott Brown
									Services
Y	A	Y	Y	Y	Y	Y	Y	Y	Jim Buccigross
Y		A	Y	Y	Y	Y	Y	Y	Leigh Spangler for Sylvia Munson
Y	A		Y	Y	Y	Y	Y	Y	Keith Sappenfield
Y	N	N	Y	Y	Y	Y	Y	Y	Mark Scheel
									Carl Caldwell
22	4	6	12	6	15	15	18	15	Votes In Favor
	8	8	0	2	2	4	0	3	Votes Opposed
	S	S	S	S	S	P	S	S	Type of Vote (P)rocedural, (S) "17/2"
	F	F	F	F	F	P	P	F	Pass (P) / Fail (F)/Undecided (U)



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Present	M9	M10	M11	M12	M13	M14	M15	M16	Member
									End Users:
Y	Y	Y	Y	Y	Y	Y	Y	Y	Bill Hebenstreit
Y	Y	Y	Y	Y	Y	Y	Y	Y	Diane McVicker
Y	Y	Y	Y	Y	Y	Y	Y	Y	Dona Gussow
Y									Joel Greene for Kelly Daly
Y	Y	Y	Y	Y	Y	Y	Y	Y	John Ebner for Tina Patton
									LDCs:
Y	Y		Y	Y					Dolores Chezar on the phone
Y	Y	Y	Y	Y	Y	Y	Y	Y	Mike Novak
Y	Y	Y	Y	Y	Y	Y	Y	Y	Chris Maturo
Y	Y	Y	Y	Y	Y	Y	Y	Y	Rick Ishikawa for Bob Betonte
Y	Y		Y	Y					Steve Sullivan on the phone
									Pipelines:
Y	Y	A	Y	Y	Y	Y	Y	Y	Bill Griffith
Y	Y	Y	Y	Y	Y	Y	Y	Y	Dale Davis
Y	Y	Y	N	Y	Y	Y	Y	Y	Paul Love
Y	Y	Y	A	Y	Y	Y	Y	Y	Kim Van Pelt
Y	Y	Y	A	Y	Y	Y	Y	Y	Mark Gracey
									Producers:
Y	Y	Y	Y	Y	Y	Y	Y	Y	Paul Keeler
Y	Y	Y	Y	Y	Y	Y	Y	Y	Lauren Kaestner
Y									Richard Smith (ballot)
									Mike Johnson
									Scott Brown
									Services
Y	Y	Y	Y	Y	Y	Y	Y	Y	Jim Buccigross
Y	Y	Y	Y	Y	Y	Y	Y	Y	Leigh Spangler for Sylvia Munson
Y	Y	Y	Y	Y	Y	Y	Y	Y	Keith Sappenfield
Y	Y	Y	Y	Y	Y	Y	Y	Y	Mark Scheel
									Carl Caldwell
19	20	17	17	20	18	18	18	18	Votes In Favor
	0	0	1	0	0	0	0	0	Votes Opposed
	S	P	S	S	S	P	S	S	Type of Vote (P)rocedural, (S) "17/2"
	P	P	P	P	P	P	P	P	Pass (P) / Fail (F)/Undecided (U)



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Administrative: Rae McQuade - Executive Director
JoAnn Garcia - GISB Staff
Veronica Thomason - GISB Staff
Jay Costan - GISB General Counsel
Jane Copeland - Ak/Ret Reporting Service

Observers to the Meeting:

Name	Company	GISB Member
Arnaout, Mariam	American Gas Association	n/a
Bianchi, Joe	ANR	Y
McMahon, Gina	BTUWatch.com	Y
Shahan, Mike	Dominion Peoples Gas	Y
King, Iris	Dominion Transmission	Y
Burch, Kathryn	Duke Energy - Texas Eastern	Y
Whatley, Pete	Dynegy Marketing and Trading	Y
Payne, Gary	Enron North America	Y
Hopkins, Tammy	Enron Transportation Services - Florida Gas	Y
Hess, Theresa	Enron Transportation Services - Transwestern	Y
Gwilliam, Tom	Iroquois Gas Transmission	Y
Young, Randy	Koch Gateway Pipeline	Y
Gossett, Karen	Koch Gateway Pipeline	Y
Metz, Cary	Midland Cogeneration Venture	Y
McDougal, Prince	Southern Natural Gas Pipeline	Y
Keisler, Jim	Williams Gas Pipeline	Y
Link, Kurt	Williston Basin	Y



**GAS INDUSTRY STANDARDS BOARD
EXECUTIVE COMMITTEE MEETING
Conference Call Materials
FEBRUARY 5, 2001**

2. GISB Standard 5.3.2

- In review of proposed standard 5.3.2, as adopted by the EC on December 14, the GISB office and general counsel have received calls from FERC staff raising concerns that the proposed standard may likely be in conflict with FERC Order No. 637. In particular, FERC staff noted that shippers, once they acquired released capacity, could nominate coincident with that acquisition, on any on the nomination timelines. Moreover, it was pointed out that nominations and scheduling for released capacity transactions should be on an equal footing with shippers purchasing capacity directly from the pipeline, with no timing differences. Lastly, it was observed that the contract for such transactions should be issued within an hour of request, but not required to be executed in that timeframe.
- The Executive Committee is asked to review the proposed standard 5.3.2, the text of FERC Order No. 637-A and the federal code of regulations in light of the concerns raised.
- The Business Practices Subcommittee will provide an update on its related activities.



**GAS INDUSTRY STANDARDS BOARD
EXECUTIVE COMMITTEE MEETING
Conference Call Materials
FEBRUARY 5, 2001**

- GISB Proposed Standard No. 5.3.2:

For biddable releases (less than 1 year):

- offers should be tendered by 12:00 P.M. on a Business Day;
- open season ends no later than 1:00 P.M. on a Business Day (evaluation period begins at 1:00 P.M. during which contingency is eliminated, determination of best bid is made, and ties are broken);
- evaluation period ends at 2:00 P.M.;
- match or award is communicated by 2:00 P.M.;
- match response by 2:30 P.M.;
- award posting by 3:00 P.M.;
- contract tendered with contract # by 4:00 P.M.; contract executed; nomination possible beginning at the next available nomination cycle for the effective date of the contract.
(Central Clock Time)

For biddable releases (1 year or more):

- offers should be tendered by 12:00 P.M. four Business Days before award;
- open season ends no later than 1:00 P.M. on the Business Day before timely nominations are due (open season is three Business Days);
- evaluation period begins at 1:00 P.M. during which contingency is eliminated, determination of best bid is made, and ties are broken;
- evaluation period ends at 2:00 P.M.;
- match or award is communicated by 2:00 P.M.;
- match response by 2:30 P.M.;
- award posting by 3:00 P.M.;
- contract tendered with contract # by 4:00 P.M.; contract executed; nomination possible beginning at the next available nomination cycle for the effective date of the contract.
(Central Clock Time)

For non-biddable releases:

Timely Cycle

- posting of prearranged deals not subject to bid are due by 9:30 A.M. on a Business Day;
- contract tendered with contract # by 10:30 A.M.; contract executed; nomination possible beginning at the next available nomination cycle for the effective date of the contract.

Evening Cycle

- posting of prearranged deals not subject to bid are due by 4:00 P.M. on a Business Day;
- contract tendered with contract # by 5:00 P.M.; contract executed; nomination possible beginning at the next available nomination cycle for the effective date of the contract.

Intraday 1 Cycle

- posting of prearranged deals not subject to bid are due by 8:00 A.M. on a Business Day;
- contract tendered with contract # by 9:00 A.M.; contract executed; nomination possible beginning at the next available nomination cycle for the effective date of the contract.

Intraday 2 Cycle

- posting of prearranged deals not subject to bid are due by 3:00 P.M. on a Business Day;
- contract tendered with contract # by 4:00 P.M.; contract executed; nomination possible for beginning at the next available nomination cycle for the effective date of the contract.
(Central Clock Time)

transmitted to the pipeline for posting on pipeline Internet sites and bidding (when necessary) is allowed, no further oversight is needed.¹⁰²

Some third parties indicated in their comments that compliance with some of the Commission's existing regulations can impede the development of third-party auctions. For instance, the requirement that certain transactions must be posted on pipeline Internet sites was identified as a barrier to third-party auctions because it would require a double posting of capacity (once in the auction and once on the pipeline's Internet site) and would render the results of the auction less certain. In those cases in which a shipper or third-party finds that a current Commission regulatory requirement impedes the development of an efficient auction, the Commission encourages shippers or third-parties to propose an alternate method for satisfying the goal of the requirement. For example, to satisfy the requirement that prices be disclosed on a pipeline's Internet web site, the pipeline could be required to maintain a link on its web site to the web site of the third-party auctioneer. The Commission cannot proscribe, in the abstract, criteria for such proposals. Third-parties should have the freedom to develop and propose innovative solutions to such problems.

II. IMPROVEMENTS TO COMPETITION ACROSS THE PIPELINE GRID

A. Scheduling Equality

¹⁰²For example, third-party auctions for short-term released capacity (31 days or less) can be conducted without complying with the requirements for posting and bidding on pipeline Internet sites, because short-term releases are exempt from the Commission's posting and bidding requirements.

In Order No. 637, the Commission adopted the proposal set forth in the NOPR to amend the Commission's regulations to include a new section 284.12(c)(1)(ii) to require pipelines to provide purchasers of released capacity the same ability to submit a nomination at the first available opportunity after consummation of the deal as shippers purchasing capacity from the pipeline. This will enable shippers to acquire released capacity at any of the nomination or intra-day nomination times, and nominate gas coincident with their acquisition of capacity. By enabling released capacity to compete on a comparable basis with pipeline capacity, the new section of the regulations will foster a more competitive short-term market. Also, in Order No. 637, the Commission explained the basis for its policy that the shipper must have title to the gas being transported, and concluded that no changes in this policy are appropriate at this time. Niagara Mohawk, NGSA, Scana Energy Marketing, Tejas, TWC, and Williston seek clarification or rehearing of this portion of Order No. 637.

Williston seeks rehearing of the Commission's regulation requiring nominations for capacity release transactions to be on an equal footing with shippers purchasing capacity directly from the pipeline. Williston argues that there must be differences in the nomination and scheduling of capacity release and the nomination and scheduling of pipeline capacity because additional time is required to evaluate capacity release transactions due to possible conditions the releasing shipper may impose on the acquiring shipper. Williston states that the time required by the pipeline to evaluate such conditions

and the potential operational impact requires that the existing timing difference in the nomination and scheduling process.

Williston does not explain what conditions and operational considerations could need to be evaluated. The replacement shipper will take the service under the same contract, subject to the same conditions as the releasing shipper and, therefore, will have the same operational impact on the system. There should be no change in conditions or impact for the pipeline to evaluate.

In addition, Williston asserts that the provision of such a service will not be cost effective on its system because Williston would be required to expend significant money and manhours on new electronic contracting software. Williston states that it has had 13 capacity releases in the last three years, and this number of releases does not justify the Commission's imposition of this requirement on Williston. Williston argues that the offering of nomination opportunities for capacity release equal to nomination opportunities for shippers purchasing capacity should be on a best efforts or optional basis on pipelines with significant capacity release.

As explained in Order No. 637, the Commission adopted the new regulation requiring equality in scheduling in order to enable released capacity to compete on a comparable basis with pipeline capacity. This furthers the Commission's goal of enhancing competition and improving efficiency across the grid. In order for the

requirement to have this effect it must apply to all pipelines and all capacity release transactions.

Scana seeks clarification, or in the alternative, rehearing, that the pipelines must provide replacement shippers with the same no-notice scheduling rights as held by releasing shippers. Scana asserts that some pipelines have placed restrictions in their tariffs on the release of no-notice transportation, such that a shipper may release no-notice transportation, but the replacement shipper receives FT capacity without no-notice scheduling rights. Scana further asserts that other pipelines do not restrict release of no-notice service, but instead impose artificial restrictions on the scheduling flexibility after release. Scana argues that, consistent with the Commission's purpose of achieving scheduling equality between releasing and replacement shippers, the Commission must clarify that Order No. 637's mandate for scheduling equality among releasing and replacement shippers is intended to cover no-notice scheduling rights and contingency ranking.

The Commission has held that the pipeline must permit shippers to release their no-notice service as no-notice service.¹⁰³ Further, if the pipeline permits shippers to receive no-notice service at flexible delivery points, it must permit the no-notice shipper to release that capacity with similar flexible delivery points.¹⁰⁴ However, if the pipeline does not

¹⁰³Order No. 636-B, 61 FERC ¶ 61,272 at 62,009-10 (1992); Questar Pipeline Co., 62 FERC ¶ 61,192 at 62,298 (1993).

¹⁰⁴

permit its no-notice shippers flexible delivery point rights, it is not required to provide flexible delivery points to the replacement shipper. There should be no operational reason why the pipeline should limit the release of no-notice service or place restrictions on the released service that do not apply to the releasing shipper. Since the shipper releasing the no-notice capacity is not able to use it, the pipeline will not be providing any more no-notice service than it contracted to provide.

TWC and Tejas ask the Commission to clarify the relationship between new section 284.12(c)(1)(ii) and the approved GISB Standards, including the GISB Standard timelines for capacity release as set forth in GISB Standard 5.3.2. The Commission clarifies that new section 284.12(c)(1)(ii) supplants GISB Standard 5.3.2, to the extent that they are inconsistent. Thus, the capacity release nomination requirements are contained in the new regulation, and GISB Standard 5.3.2 now applies only to the bidding process. It is not necessary for the Commission to delay implementation of its new nomination requirements until GISB acts to amend section 5.3.2.

Tejas quotes the discussion in Order No. 637 as providing that under new regulation § 284.12(c)(1)(ii), the pipeline must “approve” a contract within an hour. Tejas asks the Commission to clarify whether the Commission means "issuance" or "approval," and whether issuance or approval of the contract means that it has been executed by both parties.

The text of the regulation states that the pipeline must "issue" the contract within an hour and the Commission clarifies that the requirement is to issue the contract, rather than

approve the contract. Issuance of the contract does not mean that it has been executed by both parties.

Tejas also observes that GISB Standard 5.3.2 defines short-term releases as those with a duration of less than 5 months, and in Order No. 637, the Commission defines short-term releases as those extending for less than one year. Tejas asks the Commission to clarify which of the two definitions will apply to short-term releases.

The bidding requirements of GISB Standard 5.3.2 apply to capacity releases of more than five months. In Order No. 637, the Commission waived, for a two year period, the rate ceiling for capacity releases of less than one year. Neither of these provisions defines a short-term release for other purposes, and they are not inconsistent.

NGSA states that although the Commission established scheduling equality between capacity release shippers and others holding firm capacity, and recognized the efficacy of master agreements in achieving scheduling equality, it did not require use of a master agreement. NGSA asserts that master agreements are the only means to achieve scheduling equality, and therefore the Commission should require them.

The Commission recognizes that master agreements are a good way to achieve scheduling equality, but as explained in Order No. 637, there are other methods as well. The Commission will not mandate any one method, but will leave this to be resolved by the pipelines and shippers.

Finally, Niagara Mohawk requests that the Commission clarify that it will be receptive to requests for waiver of the shipper must have title policy where the applicant demonstrates that the waiver will not result in undue discrimination or the inefficient allocation of capacity. Parties may apply for a waiver of the policy and, as in the past, the Commission will consider the waiver based on the specific circumstances of the request.¹⁰⁵

B. Segmentation and Flexible Point Rights

In Order No. 636, the Commission established two related policies -- flexible point rights and segmentation -- that were designed to provide firm shippers with the flexibility to use their capacity and to enhance competition between shippers and between shippers and the pipeline.¹⁰⁶ Flexible point rights refer to the rights of firm shippers to change receipt or delivery points so they can receive and deliver gas to any point within the firm capacity rights for which they pay. Segmentation refers to the ability of firm capacity holders to subdivide their capacity into segments and to use the segments for different capacity transactions.

¹⁰⁵See, e.g., Baltimore Gas and Electric Co., 88 FERC ¶ 61,133, reh'g denied, 89 FERC ¶ 61,150 (1999).

¹⁰⁶Pipeline Service Obligations and Revisions to Regulations Governing Self-Implementing Transportation Under Part 284 of the Commission's Regulations, Order No. 636, 57 FR 13267 (Apr. 16, 1992), FERC Stats. & Regs. Regulations Preambles [Jan. 1991-June 1996] ¶ 30,939, at 30,428, 30,420-21 (Apr. 8, 1992), Order No. 636-A, 57 FR 36128 (Aug. 12, 1992), FERC Stats. & Regs. Regulations Preambles [Jan. 1991-June 1996] ¶ 30,950, at 30,559 n.151 (Aug. 3, 1992), Order No. 636-B, 61 FERC ¶ 61,272, at 61,997 (1992).

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[Page 700-702]

CHAPTER I--FEDERAL ENERGY REGULATORY COMMISSION, DEPARTMENT OF ENERGY

PART 284--CERTAIN SALES AND TRANSPORTATION OF NATURAL GAS UNDER THE NATURAL GAS POLICY ACT OF 1978 AND RELATED AUTHORITIES--Table of Contents

Subpart A--General Provisions and Conditions

Sec. 284.12 Standards for pipeline business operations and communications.

(a) Electronic Bulletin Boards. An interstate pipeline that is required by this chapter or by its tariff to display information on an Electronic Bulletin Board must provide for the following features on its board:

- (1) Downloading by users;
 - (2) Daily back-up of information displayed on the board, which must be available for user review for at least three years;
 - (3) Purging of information on completed transactions from current files;
 - (4) Display of most recent entries ahead of information posted earlier; and
 - (5) On-line help, a search function that permits users to locate all information concerning a specific transaction, and a menu that permits users to separately access the notices of available capacity, the marketing affiliate discount information, the marketing affiliate capacity allocation log, and the standards of conduct information.
- (6) A pipeline's obligation to provide information pursuant to this paragraph will terminate when all relevant information is provided pursuant to paragraph (c)(3)(i) of this section.

(b) Incorporation by reference of GISB standards.

(1) An interstate pipeline that transports gas under subparts B or G of this part must comply with the following business practice and electronic communication standards promulgated by the Gas Industry Standards Board, which are incorporated herein by reference:

- (i) Nominations Related Standards (Version 1.3, July 31, 1998);
- (ii) Flowing Gas Related Standards (Version 1.3, July 31, 1998) with the exception of Standards 2.3.29 and 2.3.30;
- (iii) Invoicing Related Standards (Version 1.3, July 31, 1998);
- (iv) Electronic Delivery Mechanism Related Standards (Version 1.3, July 31, 1998) with the exception of Standard 4.3.4; and
- (v) Capacity Release Related Standards (Version 1.3, July 31, 1998).

(2) This incorporation by reference was approved by the Director of the Federal Register in accordance with 5 U.S.C. 552(a) and 1 CFR part 51. Copies of these standards may be obtained from the Gas Industry Standards Board, 1100 Louisiana, Suite 4925, Houston, TX 77002. Copies may be inspected at the Federal Energy Regulatory Commission, Public Reference and Files Maintenance Branch, 888 First Street, NE., Washington, DC 20426 and at the Office of the Federal Register, 800 North Capitol St., NW., Suite 700, Washington, DC.

(c) Business practices and electronic communication requirements. An interstate pipeline that transports gas under subparts B or G of this part must comply with the following requirements. The regulations in this paragraph adopt the abbreviations and definitions contained in the Gas Industry Standards Board standards incorporated by reference in paragraph (b)(1) of this section.

(1) Nominations.

- (i) Intra-day nominations.

(A) A pipeline must give scheduling priority to an intra-day nomination submitted by a firm shipper over nominated and scheduled volumes for interruptible shippers. When an interruptible shipper's scheduled volumes are to be reduced as a result of an intra-day nomination by a firm shipper, the interruptible shipper must be provided with advance notice of such reduction and must be notified whether penalties will apply on the day its volumes are reduced.

(B) An intra-day nomination submitted on the day prior to gas flow will

[[Page 701]]

take effect at the start of the gas day at 9 a.m. CCT.

(ii) Capacity release nominations. Pipelines must permit shippers acquiring released capacity to submit a nomination at the earliest available nomination opportunity after the acquisition of capacity. If the pipeline requires the replacement shipper to enter into a contract, the contract must be issued within one hour after the pipeline has been notified of the release, but the requirement for contracting must not inhibit the ability of the replacement shipper to submit a nomination at the earliest available nomination opportunity.

(2) Flowing gas.

(i) Operational balancing agreements. A pipeline must enter into Operational Balancing Agreements at all points of interconnection between its system and the system of another interstate or intrastate pipeline.

(ii) Netting and trading of imbalances. A pipeline must establish provisions permitting shippers and their agents to offset imbalances accruing on different contracts held by the shipper with the pipeline and to trade imbalances with other shippers where such imbalances have similar operational impact on the pipeline's system.

(iii) Imbalance management. A pipeline must provide, to the extent operationally practicable, parking and lending or other services that facilitate the ability of its shippers to manage transportation imbalances. A pipeline also must provide its shippers the opportunity to obtain similar imbalance management services from other providers and shall provide those shippers using other providers access to transportation and other pipeline services without undue discrimination or preference.

(iv) Operational flow orders. A pipeline must take all reasonable actions to minimize the issuance and adverse impacts of operational flow orders (OFOs) or other measures taken to respond to adverse operational events on its system. A pipeline must set forth in its tariff clear standards for when such measures will begin and end and must provide timely information that will enable shippers to minimize the adverse impacts of these measures.

(v) Penalties. A pipeline may include in its tariff transportation penalties only to the extent necessary to prevent the impairment of reliable service. Pipelines may not retain net penalty revenues, but must credit them to shippers in a manner to be prescribed in the pipeline's tariff. A pipeline must provide to shippers, on a timely basis, as much information as possible about the imbalance and overrun status of each shipper and the imbalance of the pipeline's system.

(3) Communication protocols.

(i)(A) All electronic information provided and electronic transactions conducted by a pipeline must be provided on the public Internet. A pipeline must provide, upon request, private network connections using internet tools, internet directory services, and internet communication protocols and must provide these networks with non-discriminatory access to all electronic information. A pipeline may charge a reasonable fee to recover the costs of providing such an interconnection.

(B) A pipeline must implement this requirement no later than June 1, 2000.

(ii) A pipeline must comply with the following requirements for documents constituting public information posted on the pipeline web site:

(A) The documents must be accessible to the public over the public Internet using commercially available web browsers, without imposition of a password or other access requirement;

(B) Users must be able to search an entire document online for selected words, and must be able to copy selected portions of the documents; and

(C) Documents on the web site should be directly downloadable without the need for users to first view the documents on the web site.

(iii) If a pipeline uses a numeric or other designation to represent information, an electronic cross-reference table between the numeric or other designation and the information represented must be available to users, at a cost not to exceed reasonable shipping and handling.

(iv) A pipeline must provide the same content for all information regardless of the electronic format in which it is provided.

[[Page 702]]

(v) A pipeline must maintain, for a period of three years, all information displayed and transactions conducted electronically under this section and be able to recover and regenerate all such electronic information and documents. The pipeline must make this archived information available in electronic form for a reasonable fee.

(vi) A pipeline must post notices of operational flow orders, critical periods, and other critical notices on its Internet web site and must notify affected parties of such notices in either of the following ways to be chosen by the affected party: Internet E-Mail or direct notification to the party's Internet URL address.

[Order 587, 61 FR 39068, July 26, 1996, as amended by Order 587-B, 62 FR 5525, Feb. 6, 1997; Order 587-C, 62 FR 10690, Mar. 10, 1997; Order 587-G, 63 FR 20095, Apr. 23, 1998; Order 587-H, 63 FR 39514, July 23, 1998; Order 587-I, 63 FR 53576, Oct. 6, 1998; Order 587-K, 64 FR 17278, Apr. 9, 1999. Redesignated and amended by Order 637, 65 FR 10220, Feb. 25, 2000]