



Gas Industry Standards Board

1100 LOUISIANA, SUITE 4925
HOUSTON, TEXAS, 77002

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March 25, 1997

TO: Model Trading Partner Agreement Task Force Chair, Posting on the GISB home page for interested industry participants

FROM: Rae McQuade, Executive Director

RE: **Final Minutes from the Model Trading Partner Agreement Task Force - March 25, 1997**

I. Administrative

The meeting opened with Cheryl Loewen welcoming the participants to the meeting and reviewed the housekeeping items for the meeting. Carlos Pena of El Paso Energy gave the antitrust advice.

Cheryl Loewen reviewed the history of the task force, from its creation and reporting to the Executive Committee, to the development of the existing Model Trading Partner Agreement, and its later merger into the Market Initiation Contracts and Data Elements Task Force. In the last two years, the work assigned to this group was: (1) developing data elements for the base contract for short term sales and purchases of natural gas, (2) updating the Model Trading Partner Agreement for Internet use, (3) developing samples of exhibits to the GISB Model Trading Partner Agreement for all GISB transactions (31 transactions to date), (4) developing of an operational balancing agreement, and (5) maintaining the GISB Model Trading Partner Agreement for other than the Internet issues. The Future Technology Task Force was asked to recommend changes to the GISB Model Trading Partner Agreement for this task force to review regarding Internet changes.

Minutes of the previous meeting, held in August 1996, will be posted electronically for review prior to the next meeting and will be adopted at the next meeting of this group. A revised agenda was proposed by Cheryl Loewen and adopted after discussion on the intent of the Executive Committee regarding changes to the GISB Model Trading Partner Agreement for other than those specific to the Internet.

Cynthia Corcoran will draft a mission statement for the group and the name will be changed to the Contracts Task Force, which will cover Operational Balancing Agreements, Model Trading Partner Agreement, and the Base Contract for Short Term Purchase And Sales of Natural Gas. There was some discussion on focusing the group on EDI contracting and model contracts. The substantive issues of standards versus models, and limiting the focus to EDI will be discussed at a later date. The group will recommend to the Executive Committee that its name be changed to the Contracts Subcommittee and that it report directly to the Executive Committee.

II. Body of Contract - R97035

Kim Van Pelt reviewed creation of the request R97035. Susan Croley described the intent to the changes offered in R97035, and provided an overview for the changes to definitions section. The April 20, 1995 GISB Model Trading Partner Agreement was reviewed for incorporation of changes as listed in R97035. Please refer to the attached red-lined version of the GISB Model Trading Partner Agreement for the changes supported by the participants of the meeting. In these minutes, the changes that result in a change to the MTPA are noted by a bolded heading.



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Discussion on definitions

Jerry Hahn began the discussion with a modification to add a definitions section. Charlie Bass noted that we should expand the definitions section not only for the items added in R97035 but also for all definitions mentioned in the GISB Model Trading Partner Agreement. The definitions cited in the request are basic authentication, cipher, ciphertext, digital signature, electronic data interchange, electronic delivery mechanism, encryption key, key fingerprint, key ring, and uniform resource locator. Cynthia Corcoran explained that there are two ways to reference definitions in an agreement - either define the term the first time that it is used or put all definitions in a separate section. Currently the GISB Model Trading Partner Agreement defines terms the first time that they are used. Clancy Aschbrenner noted a separate concern that the definitions are indeed technical definitions -- and if they are within a particular context, the context should be clearly stated. Carlos Pena noted that flexibility must be maintained. The group discussed the option that all definitions should be placed the definitions section, and the first time the term is used, to refer to the definitions section. Jim Buccigross preferred to have as few changes as required without reorganizing the GISB Model Trading Partner Agreement. Clayton Thomas preferred the use of a glossary rather than the use of a definition section.

MTPA Change 1

Cynthia Corcoran made the motion that the definitions be placed in the GISB Model Trading Partner Agreement the first time that that term is used -- the accuracy would be improved and the context would be immediately apparent. A reference glossary, possibly section 4.11, will also be added further in the agreement noting the term and the sections where these terms and their contextual definitions appear. The glossary should be expanded to include other definitions that appear in the agreement. The motion was adopted by the group with no dissenting votes. The red-lined GISB Model Trading Partner Agreement will reflect these changes, (see attached).

General discussion on scope of the agreement

In discussing the changes to agreement, the scope of the GISB Model Trading Partner Agreement was reviewed and several participants supported the narrowing of the focus of the agreement to the use of ANSI X12 electronic communication between trading partners over VANs and the Internet. Currently the agreement can be broadly applied. Other scope discussions centered on narrowing the focus to only transportation and related matters. In discussion as to whether the agreement should be specific to gas transportation documents for EDI only, or alternatively, broad enough to support different transactions and/or electronic exchange other than EDI, there was no resolution by the participants. The suggestion was made to work through the actual changes to the Appendices and Exhibits to implement the required changes, then the task force would return to address the form and format issues.

The group broke for lunch at 12:10 p.m. and returned to the meeting at 12:45 p.m.

Discussion on Section 1.4

On discussion of section 1.4 changes, the motion was made adopted to leave section 1.4 as is and not adopt the changes recommended on R97035. All participants supported the motion. The section 1.4 discussion then returned to the need to add language on encryption keys for use over the Internet, but can be accommodated through section 1.4.1 and is reflected in the following red-line of the discussion.



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On section 1.4.1, a new section, proposed by R97035 with red-lined changes from the group:

Security Key Exchanges. The manner in which any public encryption keys are to be changed or exchanged will be specified in the Appendix. The procedures required for changing and exchanging public encryption keys when a Provider is elected will also be specified in the Appendix. Public *encryption* keys must be communicated in electronic form between trading partners. Each party shall provide a guideline as to the communication method and frequency for changing their public *encryption* key if done on a scheduled basis. However, if a party has cause to request an emergency *public encryption* key change, the trading partner ~~this~~ should be required to change their key ring with as little as 24 hour notification.

Some participants discussed the need to more appropriately move the proposed section 1.4.1 in the appendix -- exhibit 4 as a security procedure and refer to the appendix in section 1.4 in the body of the agreement. It was initially placed both in the body of the agreement by R97035 and also through the appendix for individual company implementations to make the signatories aware that the use of security key exchanges is required. Cynthia Corcoran noted that the appendix, which is signed, is as binding as the body of the agreement. Carlos Pena also noted that section 1.4.1 more appropriately only applies to Internet. Stuart Maudlin suggested that we possibly break this agreement -- which is being modified for both general EDI and Internet EDI -- into two separate documents. Carlos Pena supported the suggestion. No resolution was reached.

MTPA Change -- Security (Exhibit 4 - addition of section 4)

Kim Van Pelt made the motion that section 1.4.1 as proposed in R97035, and amended by the group, be struck, and the language in the appendix, exhibit 4, stand as proposed in R97035 as sufficient. The motion was modified to add the following sentence to the added section 4.1c of the exhibit in R97035:

Public encryption keys must be communicated in electronic form.

The change to 4.1 is:

File Encryption Procedures (as it applies to Internet EDM)

The change to 4.1d is

Scheduled public key exchange procedures (if any, include frequency)

The change to 4.1e is

Emergency public key exchange

The change to 4.1f is

Verification procedures to confirm appropriate exchange of public keys (example: key fingerprint comparison via phone)

The other portions of Exhibit 4, section 4 will also be added. All participants supported the revised motion, which will be reflected in the red-lined GISB Model Trading Partner Agreement (attached).

MTPA Change -- Section 2.1

On section 2.1, R97035 recommended modifying section 2.1 to reference URLs with red-lined changes offered by Jim Buccigross and Jerry Hahn:



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2.1. Proper Receipt. Documents shall not be deemed to have been properly received, and no Document shall give rise to any obligation, until accessible to the receiving party at such party's Receipt Computer designated in the Appendix. *The receipt computer shall be defined in the appendix as the receiving party's electronic mailbox or URL.* Where the parties employ the services of Providers to transmit and receive Documents, the Receipt Computer shall be defined in the Appendix as the receiving party's electronic mailbox *or URL* provided by the receiving party's Provider.

The motion was made and adopted unanimously by the group for changes to the GISB Model Trading Partner Agreement, (see attached).

Discussion on the addition of Section 2.1.1

On the addition of section 2.1.1 as defined in R97035 and modified by the group the language is:

Date and time of receipt of transaction, is defined:
using the Internet EDM model, in a data element in the HTTP response called time-c,
and
using the VAN model , the mailbox delivery time.

The group discussed that the language should be placed at the exhibit level, which is the transaction level, because parties can agree to have multiple URLs. It should also be contained in the appendix level, for those parties that intend to use only one URL. As such, every reference to receipt computer in the exhibits and appendix should include the above sentence.

MTPA Change Date and time of receipt of a transaction

The motion was made and unanimously adopted by the group to, in the Exhibit as section 10, and in appendix wherever receipt computer is referenced the following sentence should be added: "Date and time of receipt of transaction, is defined: (1) using the Internet EDM model, in a data element in the HTTP response called time-c, and (2) using the VAN model , the mailbox delivery time. The changes will be reflected in the GISB Model Trading Partner Agreement, (see attached).

Discussion on Appendix i:

Jerry Hahn recommended that the correct term -- legal entity common code -- be used instead of D-U-N-S® number reference in R97035. Cynthia Corcoran noted that D&B has requested that GISB use the D-U-N-S® reference in its agreements. Paragraph 5.1 of the draft D&B agreement is the cite for referring to the D-U-N-S® number¹.

MTPA Change to Appendix i:

The motion was made and unanimously adopted to:
change "DUNS NUMBER" to "legal entity common code, D-U-N-S® number²," in appendix i.

The changes will be reflected in the GISB Model Trading Partner Agreement, (see attached).

Discussion on Appendix ii:

¹ A registered trademark of Dun & Bradstreet corporation.

² A registered trademark of Dun & Bradstreet corporation.



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Cynthia Corcoran suggested that agent in the modifications offered by R97035 for appendix ii be replaced with provider. The changes are:

Include Trading Partner Name and Provider Name assuming the Provider is the primary contact when this information is used.

Clancy Aschbrenner raised the case where company uses an agent who uses a provider, for which name would be used. Cynthia Corcoran noted that for PanEnergy Corp, they rely upon the underlying contractual party. Other companies may handle the case differently, with examples provided by Charlie Bass.

Since this information is already contained within the exhibits where separate providers may be used for transactions, the question arose on the relationship to the appendix. Jim Buccigross offered that the exhibit should be completed if the information is different from that supplied in the appendix. Cynthia Corcoran offered that another way to accomplish the same is that the agent and provider have separate appendices and exhibits.

MTPA Change to Appendix ii:

The motion was made and unanimously adopted to modify appendix ii and the exhibits, where the information to be supplied is different, that Trading Partner Name and Provider Name be included assuming the Provider is the primary contact when this information is used. The changes will be reflected in the GISB Model Trading Partner Agreement, (see attached).

Discussion on Exhibit iii:

Add to Exhibit iii:

EDM Mechanism (VAN, Internet): _____

then for those items that are not applicable, the exhibit would contain "n/a".

Add to Exhibit iii in the table for item 4 of the table under RECEIPT COMPUTER:

For the Internet:

URL: _____

Basic Authentication Userid: _____

Basic Authentication Password: _____

HTTP to/from: _____

For the VAN:

VAN Account Number: _____

Add as item 11 on Exhibit iii:

"HTTP Transaction Set Supported" (yes/no): _____

MTPA Change to Exhibit iii:

The motion was made and unanimously adopted to modify exhibit iii as stated above.

The changes would be reflected in the table and as a new item 11. The changes will be reflected in the GISB Model Trading Partner Agreement, (see attached).

Discussion on Disaster Recovery:

If disaster recovery means failure rather than natural disasters normally associated with disaster recovery, it can be discussed. Otherwise if it truly means disaster recovery, then it is not



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applicable for a GISB Model Trading Partner Agreement. For system failure, this is a new item and will be addressed after completion of R97035.

III. Appendix Exhibits - Preparatory Document

Cheryl Loewen provided a matrix of documents for preparing sample exhibits. Items 18, 21 and 23 are the same document - Firm Transportation and Storage Withdrawal, and Capacity Release Pre-Arranged Deals should be deleted. Items to be added are Electronic Upload Withdrawal, Metered Volume Audit Statement and the Point Operator Scheduled Quantity. GISB has developed a total of 32 standard transactions but notes transaction is not included on the matrix as it is not a standalone transaction. The matrix would be used in developing the sample exhibits. Kim Van Pelt volunteered to populate the matrix for the next meeting. A few examples were covered. Jim Buccigross agreed to support Kim in the matrix items related to capacity release.

IV. Presentation and Discussion of Five Proposals

The five proposals are: (1) Enron, (2) TransCapacity (R96004), (3) DFSC, (4) TransCapacity, and (5) El Paso Energy. Stacy Dickson reviewed the proposal drafted by Enron and others with several GISB members participating in the draft. The work on this draft began as a result of the Contracts Task Force meeting of August 14, 1996. The changes are for clarification, shortening the agreement and simplifying the document. The changes also focus the agreement on electronic communications on transportation and related transactions. The proposal drafted from El Paso Energy focuses on liabilities specifically as the less structured Internet environment is used. There may be some conflicts in the terms, and the proposal also discusses termination clauses, and disaster recovery. Construction and a few legal terms were also covered in the proposal. The proposals from TransCapacity and DFSC are self explanatory. These proposals will be discussed in the future, pending advice from the EC concerning re-opening the MTPA to broader changes.

V. Adjourn

Next meeting will be the week of April 14 in Houston, to be hosted by PanEnergy. The meeting adjourned at 5:10 p.m.



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IV. Attendees

	<u>Attendee Name</u>	<u>Company</u>	<u>Present</u>	<u>Present via Phone</u>
	PIPELINES:			
1	Mike Schisler	NGPL		✓
2	Charlie Bass	Tennessee Gas Pipeline	✓	
3	Mike Bray	PanEnergy Corp	✓	
4	Mike Stender	El Paso Energy	✓	
5	Carlos Pena	El Paso Energy	✓	
6	Jamie Connelly	ANR	✓	
7	Clancy Aschbrenner	CIG	✓	
8	Clayton Smith	Williams Natural Gas	✓	
9	Carol Smith	Texas Eastern	✓	
10	Kim Van Pelt	PanEnergy Corp	✓	
11	Joyce Phillips	Texas Eastern	✓	
12	Cynthia Corcoran	PanEnergy Corp	✓	
13	Susan Croley	PanEnergy Corp		✓
	SERVICES			
14	Cheryl Loewen	National Registry of Capacity Rights	✓	
15	Steve Hinton	National Registry of Capacity Rights	✓	
16	Jim Buccigross	TransCapacity	✓	
17	Stuart Maudlin	Natural Gas Clearinghouse	✓	
18	Jim Bunch	Gaslantic Corp.	✓	
19	Stacy Dickson	Enron Capital and Trade	✓	
20	Gary Payne	Enron Capital and Trade	✓	
	PRODUCERS			
21	Jerry Hahn	Texaco		✓
	GISB OFFICE			
22	Rae McQuade	GISB	✓	
23	Sylvia Munson	GISB	✓	