

TO: Interpretations Subcommittee: Greg Lander, Services (Chair), Mark Scheel (Services), Paul Love (Pipelines), Shelley Corman (Pipelines), Mary Jane McCartney (LDC's), Bill Boswell (LDC's), Bob Wallenhorst (Producers), Producer vacancy, Diane McVicker, (End-users), End-user Vacancy Posting for Interested Industry Participants
FROM: Rae McQuade, Executive Director
RE: Final Minutes from the Interpretations Subcommittee Meeting
DATE: February 4, 2000

GAS INDUSTRY STANDARDS BOARD
GISB INTERPRETATIONS SUBCOMMITTEE MEETING
Teleconference Call: February 4, 2000
FINAL MINUTES

I. Administrative

Mr. Lander chaired the meeting and welcomed the participants. Mr. Lander identified the participants in a roll call. Mr. Lander gave the antitrust advice. The draft agenda was adopted with the elimination of the review of the October 29, Draft Minutes:

II. C000001

A Work Paper was prepared and posted by Mr. Lander. An e-mail from Shelley Corman was accepted and discussed. The text of the Work Paper was inserted into the minutes.

The work paper re-iterated the original request, proposed a restatement of the request for inclusion in the GISB Interpretations section of the standards book, and provided a proposed Interpretation.

Work Paper:

Original Request for Interpretation:

Using the Pathed Non-Threaded model, should fuel be calculated on the total delivery quantity to all delivery points, or based on each transportation line item? The problem arises when fuel quantities are rounded to the nearest DTH.

Example

Receipts
Loc. 1 5000 DTH

Deliveries
Loc. 2 3286 DTH

Loc. 3 1714 DTH

Transportation

Loc. 1 - Loc. 2 3286 DTH Quantity Type Indicator = D

Loc. 1 - Loc. 3 1714 DTH Quantity Type Indicator = D

Fuel Ratio = .5% (in this case, it's the same to all delivery points, but it could be different)

Receipts * (1- Fuel Ratio/100) = Deliveries

(1) Calculating fuel based on total delivery (5000) gives us:

Fuel Quantity = 25.12 = 25 DTH

(2) Calculating fuel based on each transportation line item gives us

Fuel based on delivery of 3286 = 16.51 = 17 DTH

Fuel based on delivery of 1714 = 8.61 = 9 DTH

Total Fuel Quantity = 26 DTH

The two ways of calculating fuel give different results.

Restated Request For Interpretation:

Using the Pathed Non-Threaded model, should fuel be calculated on the total delivery quantity to all delivery points, or based on each transportation line item? The problem arises when fuel quantities are rounded to the nearest DTH.

Proposed Interpretation:

Yes, the fuel percentage calculation should be applied at the line item level. GISB standard 1.2.1 identifies that a nomination is at the line item level. GISB standard 1.3.15 states in relevant part that "the results of the fuel reimbursement calculations for the nominations process should be rounded to the nearest dekatherm". In addition, GISB Standard 1.3.29 states in relevant part "Service Providers should not reject a nomination for reasons of rounding differences due to fuel calculation of less than 5 Dth." These three standards taken together mean that fuel reimbursement calculations and rounding of the results thereof should occur at the line item level.

Discussion: Mr. Lander discussed the request and the reason that it was requested. The customer of Hatch had customers who felt that the fuel rounding should be on all of their activity and not at the line item level. Shelley Corman's submittal was discussed. It was agreed that the first sentence would be a good addition. It was also noted that while the second sentence suggested addition was consistent with the interpretation, the second part of her suggestion was not necessary for this interpretation.

A re-draft of the proposed Interpretation assented to on the call and ready for vote at the next Interpretations Subcommittee meeting follows:

“Restated Request For Interpretation:

Using the Pathed Non-Threaded model, should fuel be calculated on the total delivery quantity to all delivery points, or based on each transportation line item? The problem arises when fuel quantities are rounded to the nearest DTH.

Proposed Interpretation:

The fuel percentage calculation should be applied at the line item level. This applies, regardless of the Model Type that is used in the Nomination. GISB standard 1.2.1 identifies that a nomination is at the line item level. GISB standard 1.3.15 states in relevant part that “the results of the fuel reimbursement calculations for the nominations process should be rounded to the nearest dekatherm”. In addition, GISB Standard 1.3.29 states in relevant part “Service Providers should not reject a nomination for reasons of rounding differences due to fuel calculation of less than 5 Dth.” These three standards taken together mean that fuel reimbursement calculations and rounding of the results thereof should occur at the line item level.”

Discussion: It was agreed that this would form the basis for a vote at the next meeting of the Interpretations Subcommittee.

The meeting adjourned at 10:32 CST.

List of Attendees:

Name	Company	Committee Member (Y/N)	Segment	Voting
Mark Scheel	Dynegy	Y	Services	
Steve Sullivan	Consolidated Edison	observing for M. J McCartney	LDCs	
Paul Love	Kinder Morgan	Y	Pipelines	
Greg Lander	Skipping Stone	Y	Services	
Dale Davis	Williams Gas Pipeline	N	Pipelines	
Kim Van Pelt	Trunkline Gas Company	N	Pipelines	
Andy Sicignano	Enron North America	N	Services	
Gary Payne	Enron Administrative	N	Services	
Randy Young	Koch Midstream	N	Services	
Joyce Phillips	Pan Canadian	N	Producers	
Theresa Hess	Enron Transwestern	N	Pipelines	
Clancy Aschbrenner	CIG	N	Pipelines	