

Gas Industry Standards Board

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TO: Interpretations Subcommittee, Interested Industry Participants
FROM: Rae McQuade, Executive Director
RE: Final Minutes from the Interpretations Subcommittee Meeting – February 15, 2001
DATE: March 23, 2001

1. Administrative

Mr. Novak chaired the meeting, welcomed the participants and Ms. McQuade gave the anti-trust advice. The roll was called. The agenda was adopted with no changes. The draft minutes of December 8, 2000 were adopted as drafted; the December 15, 2000 minutes were adopted with changes noted in the meeting.

2. Review of Interpretations Against Order No. 637 EC Adopted Standards

Each interpretation and final action for an interpretation was reviewed against the following adopted standards for Order No. 637: GISB Standard Nos. 5.3.2, 5.3.31, 5.3.32, 5.3.41, 5.3.z1 and 5.3.z2. The standards were adopted by the EC at its December 14, 2000 meeting. It was noted that the pipeline comments prepared for the December 14, 2000 EC meeting mentioned several interpretations which would require review, namely: GISB Standard Nos. 7.3.2, 7.3.3, 7.3.15, 7.3.44 and 7.3.45 for version 1.4, and the interpretation as a result of C99003, which will be published as part of the next publication. In the review, the subcommittee will determine whether the interpretation is affected by the Order No. 637 adopted standards.

All interpretations and final actions for interpretations were reviewed. For each interpretation that is affected by the Order No. 637 adopted standards, the text of the interpretation followed by the discussion, which includes the recommended action to be reported to the Executive Committee, is shown below:

7.3.2 Note: This interpretation was provided in response to a request regarding a version of GISB Standard No. 5.3.2, which was last published in GISB Version No. 1.5.

Clarify the meaning of '5 months', in GISB standard 5.3.22.

Interpretation:

Standard 5.3.2 states, "*For short-term releases (less than 5 months):...[and]...For longer term releases (five months or more):...*". This means that short term releases are for less than 5 months, and longer term releases are for 5 months or greater. A month in this case is not a calendar month. A month is a numbered day in one calendar month through the previous numbered day in the following calendar month (gas day to gas day). Therefore, a release from 15 January 1996 through 14 June 1996 would not qualify as short term release because it is exactly 5 months. For example, a release from 1 January 1996 through 1 June 1996 is five months and one day -- not a short term release. A release from 1 January 1996 through 31 May 1996 is exactly five months - also

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not a short term release. A release from 1 January 1996 through 30 May 1996 is one day less than five months -- a short term release. So, in order to qualify as a short term release, a release beginning 15 January 1996 could end no later than 13 June 1996.

Discussion: Mr. Keeler offered language to precede the language on the GISB Standard No. 7.3.2, as is shown in redlined language above. Mr. Novak asked that language be added that the intent of the interpretation may be applied to subsequent versions of the standard. The following language was proposed but not added: "However, the intent of this interpretation is still applicable." The discussion on intent will be held at the February 22 Executive Committee meeting. There was discussion on whether the changes should be addressed as standard modifications or as minor clarifications and corrections. It was determined that these revisions could be handled as minor clarifications and corrections.

7.3.3 Note: This interpretation was provided in response to a request regarding a version of GISB Standard No. 5.3.2, which was last published in GISB Version No. 1.5.

Clarify the differences between Business Day and Work Day, as it applies to GISB standard 3.2.1.

Standard 3.2.1 defines the business day as "...Monday through Friday, excluding Federal Banking Holidays for transactions in the U.S., and similar holidays for transactions occurring in Canada and Mexico." There is no GISB definition for the hours comprising a work day. The business day definition described in Standard 3.2.1 applies to Standard 5.3.2.

With regard to the short-term release open season, Standard 5.3.2 states:

"For short term-release (less than 5 months):

- *Offers should be tendered by 1:00 p.m. on the day before nominations for short-term releases (less than 5 months);*
- *open season ends no later than 2:00 p.m. on the day before nominations are due..."*

This means that the latest time that bidding on a short term Offer of release can start is 1:00 PM on the business day before timely nominations would be due for flow on the first date that a release starts.

With regard to the posting of offers four days in advance of award start and providing for a 3 business day open season, the example of a five month release commencing on a Tuesday after a Monday holiday would be as follows: The Offer would be posted no later than 1:00 p.m. the prior Wednesday (four business days prior to the Tuesday award start) as Saturday, Sunday, and the Monday holiday do not qualify as business days.

Assume another example of a five month release with the award commencing on a Saturday. The timeline would be as follows: The Offer would be posted no later than 1:00 P.M. the prior Tuesday. This provides for both the required four

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business days prior to the Saturday award start and the three business days prior to the 2 P.M. Thursday ending of the open season, which is required in order to provide a three business day open season in advance of the Friday A.M. nominations deadline for Saturday flow under the award.

Discussion: It was noted that similar language as applied to 7.3.2 could be used, but some questioned whether the language would affect GISB Standard No. 3.2.1. It was determined that the note, which specifically references GISB Standard No. 5.3.2, would suffice. Mr. Keeler said that the intent of a clarification would still apply to future versions of a standard, even if the content of the standard did not match word for word. There was discussion on whether to add language that some might consider self-evident. It was noted that, should users of the standards and interpretations consider these notes ambiguous, they could request another interpretation.

7.3.15 Note: This interpretation was provided in response to a request regarding a version of GISB Standard No. 5.3.2, which was last published in GISB Version No. 1.5.

Clarify the timeline for capacity release posting and award - there are 3 known proposed implementations

Interpretation:

With regard to the short-term release open season, Standard 5.3.2 states

"For short term-release (less than 5 months):

- Offers should be tendered by 1:00 p.m. on the day before nominations for short-term releases (less than 5 months);

- open season ends no later than 2:00 p.m. on the day before nominations are due..."

The short term release must be posted no later than 1:00 P.M. the day before nominations are due. This does not mean that an Offer may only be posted the day before nominations are due. There is no maximum number of days, in advance of nominations being due, by which an Offer must be posted. At a minimum, an Offer must be posted prior to 1:00 P.M. The Offer of release may be posted for a greater period of time. If an Offer is posted after 1:00 P.M. on a day, it must remain available for bid until no earlier than 2:00 P.M. the next day. In this way all bidders may review the Offer postings between a known hour and know that all of the biddable Offers are available. On what ever day an Offer is posted, the open season must encompass at least the next occurrence of the hour between 1:00 P.M. and 2:00 P.M. central clock time. Thus, the intent of standard 5.3.2 is as follows:

a) The time that bidding on a particular Offer of release ends is 2 PM on a business day;

b) the latest date that bidding on a particular Offer of release can end is the business day before timely nominations would be due for flow on the first date that a release starts;

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- c) the minimum open season on a short term Offer of release (open season being the time duration between bidding starting and bidding ending) is one hour;
- d) the minimum open season on a long term Offer of release (open season being the time duration between bidding starting and bidding ending) is three business days and one hour;
- e) there is no maximum bidding period other than the bidding on a particular Offer of release can start no earlier than the time a particular Offer of release is received and posted by the capacity release service provider;
- f) the latest time that bidding on a short term Offer of release can start is 1:00 PM on the business day before timely nominations would be due for flow on the first date that a release starts; and,
- g) the latest time that bidding on a long term Offer of release can start is 1:00 PM on the third business day before timely nominations would be due for flow on the first date that a release starts (the fourth business day prior to award - i.e., the 10:00 A.M. provision of the contract number by TSP to Service Requester).

Discussion: It was determined that the previous language could be used, and is shown above in red-line.

C99003 Note: This interpretation was provided in response to a request regarding a version of GISB Standard Nos. 5.3.2 and 5.3.24, which were last published in GISB Version Nos. 1.5 and 1.4, respectively.

GISB standard 5.3.2 states "offers should be tendered by 1:00 p.m. the day before nominations for short term releases". It further states that the "open season ends no later than 2:00 p.m. on the day before nominations are due..." GISB standard 5.3.24 states, "Capacity Release facilitator should post offers and bids, including prearranged deals, upon receipt, unless releasing shipper requests otherwise". These standards seem to imply that the open season could begin at either the time of posting or the next subsequent 1:00 p.m. after posting and in either case, remain open until the requested end of posting. Clarification is requested for the situation where the offer is tendered after the 1:00 p.m. deadline on business day one, but before 1:00 p.m. on business day 2 and the releasor requests that the offer be posted immediately.

Proposed Interpretation Response:

A Service Requester may have its offer posted for review either immediately or at another specified time and if not specified then, at the Transportation Service Provider's option, the offer can be posted for review either immediately or at the next occurrence of 1:00 p.m. on a business day. GISB has no requirement that bidding upon such posting be available prior to the next occurrence of 1:00 p.m. on a business day. Neither is there any prohibition on bidding occurring upon a posting provided that bidding upon such posting

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continue to be available through at least the next occurrence of 1:00 p.m. to 2:00 p.m. on a business day or the longer period where such offer is a long term offer.

Discussion: It was determined that the previous language could be used, and is shown above in red-line.

3. Next meeting and agenda

The next conference call will be scheduled as needed. The meeting adjourned at 3:45 p.m. Central Time.

4. Meeting Attendees and Voting Record

Subcommittee Member	Representing	Members Present	GISB Member
Kelly Daly	Arizona Public Service	✗	✓
Tina Patton	Boeing	✗	✓
Paul Keeler	Burlington Resources	✓	✓
Greg Lander	CapacityCenter.com	✗	✓
Mike Novak for Steve Sullivan	ConEd	✓	✓
Bill Boswell	Dominion Resources	✗	✓
Mark Scheel	Dynegy	✓	✓
Theresa Hess for Shelley Corman	Enron - Transwestern	✓	✓
Richard Smith	ExxonMobil	✓	✓
Kim Van Pelt for Paul Love	CMS Energy	✓	✓

Attendee Present at the Meeting	Representing	GISB Member
Mariam Arnaout	AGA	
Gina McMahon	BTUWatch.com	✓
Randy Young	Gulf South Pipeline	✓
Gary Payne	Enron North America	✓
Dale Davis	Williams Gas Pipeline	✓
Jim Keisler	Williams Gas Pipeline	✓