

Gas Industry Standards Board

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Home Page: www.gisb.org

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

1. Administrative

Mr. Novak chaired the meeting, welcomed the participants and gave the anti-trust charge. The roll was called. The agenda was adopted with no changes. The revised redlined draft minutes of February 15, 2000 were adopted as posted and distributed via email with the agenda.

2. GISB Standard No. 5.3.2 Reviewed Against Existing Interpretations and Final Actions

Because of the nature of the changes adopted by the EC on March 9, it was agreed to only look at the interpretations that were determined on February 15 to require either changes to the text or the addition of a note to be consistent with GISB Standard No. 5.3.2. Ms. Hess explained that the majority of the changes to the affected interpretations were date or time changes to accommodate the revised times as noted in GISB Standard No. 5.3.2 (attached) as adopted by the EC on March 9, and some language consistency changes. Mr. Scheel and Ms. Van Pelt agreed that supporting one version at a time makes sense (the versions stand alone) and supported Ms. Hess's suggestion to make language changes rather than support the note as determined on February 15. The language changes are shown below:

7.3.2 Clarify the meaning of '~~5 months~~'less than one year', in GISB standard 5.3.2.

Interpretation:

Standard 5.3.2 states, "For ~~short-term~~ biddable releases (less than ~~5 months~~one year):...[and]...For ~~longer-term~~ biddable releases (~~five months or more~~one year 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-year~~ in this case is not a calendar ~~month-year~~. A ~~month-year~~ is a numbered day in one calendar month/~~year~~ through the previous numbered day in the following calendar month/~~year~~ (gas day to gas day). Therefore, a release from 15 January ~~1996~~ 2002 through 14 ~~June~~ January ~~1996~~ 2003 would not qualify ~~as short term~~ as a "less than one year" release because it is exactly ~~5 months~~one year. For example, a release from 1 January ~~1996~~ 2002 through 1 ~~June~~ January 2003 ~~1996~~ is ~~one year~~five months and one day -- not a ~~short term~~"less than one year" release. A release from 1 January ~~1996~~ 2002 through 31 ~~May~~ December 2002~~1996~~ is exactly ~~five months~~one year - also not a ~~short term~~"less than one year" release. A release from 1 January ~~1996~~ 2002 through ~~30 May~~ 1996~~30~~ December 2002 is one day less than ~~five months~~one year -- a ~~short term~~"less than one year" release. So, in order to qualify as a ~~short term~~"less than one

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year” release, a release beginning 15 January ~~1996-2002~~ could end no later than 13 ~~June 1996~~ January 2003.

Motion: The motion was made to adopt the above language as a replacement for standard no. 7.3.2. The motion passed unanimously.

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

Interpretation:

Standard 3.2.1 defines the ~~business-Business day-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-Business day-Day~~ definition described in Standard 3.2.1 applies to Standard 5.3.2.

With regard to the ~~short-term~~ “less than one year” release open season, Standard 5.3.2 states:

“For ~~short term~~ ~~biddable~~ -releases (less than one year ~~5 months~~):

-- ~~o~~ Offers should be tendered by 12:00 p.m. ~~on the day before nominations for short term releases (less than 5 months); on a Business Day;~~

-- open season ends no later than 21:00 p.m. ~~on the day before nominations are due...” on a Business Day...~~”

This means that the latest time that bidding on a ~~short-term~~ “less than one year” ~~Offer~~ offer of release can start is 12:00 PM on ~~the a B~~ 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 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: During the attempt to redline the above text, there was a discussion between Ms. Corman and Mr. Novak and Mr. Scheel regarding partial day releases and the language changes offered that could infer partial day releases. Mr. Novak suggested deleting the language after the second sentence. Mr. Scheel noted that the times could be changed. There was not agreement on the meaning of “next available nomination cycle” and the meaning that might be extracted from this interpretation. It was also suggested to support the note by Mr. Keeler

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on February 15, 2001 without any changes to the interpretation request nor the interpretation text:

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. 1.4.

After investigation on the interpretation request, and the relevant interpretations minutes, there were several on the phone that supported deletion of the interpretation. At the end of the discussion, it was agreed for expediency to support Mr. Keeler's language above, while preserving the issues on partial day releases. Ms. Van Pelt noted that the decision to use Mr. Keeler's language is not because of expediency, but because further changes do not reflect the request for interpretation. There are times where the note is sufficient.

The change to 7.3.3 is:

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. 1.4.

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

Interpretation Text:

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.

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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 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.

Motion: The motion was made to adopt the above language as a replacement for standard no. 7.3.3. The motion passed unanimously.

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. 1.4.

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;

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;

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- 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: After an attempt to redline the above text, it was noted that the issues present in the discussion on standard no. 7.3.3.

Motion: The motion was made to adopt the above language as a replacement for standard no. 7.3.15. The motion passed unanimously.

C99003 GISB standard 5.3.2 states “offers should be tendered by 12:00 p.m. ~~the day before nominations for short term releases~~ on a business day for “less than one year” releases”. It further states that the “open season ends no later than 21:00 p.m. on ~~the day before nominations are due~~ a business day...” 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 12:00 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 12:00 p.m. deadline on ~~business-Business day~~ Day one, but before 12:00 p.m. on ~~business Business day~~ 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 12:00 p.m. on a business day. GISB has no requirement that bidding upon such posting be available prior to the next occurrence of 12:00 p.m. on a business day. Neither is there any prohibition on bidding occurring upon a posting provided that bidding upon such posting continue to be available through at least the next occurrence of 12:00 p.m. to

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21:00 p.m. on a ~~business~~ **Business day** or the longer period where such offer is a ~~long term~~ "one year or more" offer.

Motion: The motion was made to adopt the above language as a replacement for the final action represented by request no. C99003. The motion passed unanimously.

In discussion on standard nos. 7.3.44 and 7.3.45, there were no necessary changes to reflect the language of 5.3.2. These revisions to the interpretations should be sent out by next Thursday, March 29, along with the recommendations from Information Requirements Subcommittee and Technical Subcommittee regarding the implementation of standard no. 5.3.2.

3. Next meeting and agenda

The next conference call will be scheduled as needed. The meeting adjourned at 4:00 p.m. Central Time.

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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	National Fuel Gas Distribution	✓	✓
Steve Sullivan	ConEd	✗	✓
Mark Scheel	Dynegy	✓	✓
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	✓
Clancy Aschbrenner	CIG	✓
Theresa Hess	Enron Transportation Services	✓
Jim Keisler	Williams Gas Pipeline	✓

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Attachment

Standard No. 5.3.2 as adopted by the Executive Committee on March 9, 2001

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 and award posting if no match required at 2:00 P.M.;
- match or award is communicated by 2:00 P.M.;
- match response by 2:30 P.M.;
- where match required, award posting by 3:00 P.M.;
- contract issued within one hour of award posting (with a new contract number, when applicable); 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 and award posting if no match required at 2:00 P.M.;
- match or award is communicated by 2:00 P.M.;
- match response by 2:30 P.M.;
- where match required, award posting by 3:00 P.M.;
- contract issued within one hour of award posting (with a new contract number, when applicable); 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 10:30 A.M. on a Business Day;
- contract issued within one hour of award posting (with a new contract number, when applicable); nomination possible beginning at the next available nomination cycle for the effective date of the contract. (Central Clock Time)

Evening Cycle

- posting of prearranged deals not subject to bid are due by 5:00 P.M. on a Business Day;
- contract issued within one hour of award posting (with a new contract number, when applicable); nomination possible beginning at the next available nomination cycle for the effective date of the contract. (Central Clock Time)

Intraday 1 Cycle

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- posting of prearranged deals not subject to bid are due by 9:00 A.M. on a Business Day;
- contract issued within one hour of award posting (with a new contract number, when applicable); nomination possible beginning at the next available nomination cycle for the effective date of the contract. (Central Clock Time)

Intraday 2 Cycle

- posting of prearranged deals not subject to bid are due by 4:00 P.M. on a Business Day;
- contract issued within one hour of award posting (with a new contract number, when applicable); nomination possible beginning at the next available nomination cycle for the effective date of the contract. (Central Clock Time)