

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: June 1, 2000

1. Administrative

Mr. Lander chaired the meeting, welcomed the participants and gave the anti-trust advice. The agenda was changed to remove reference to C00001 and adopted as modified. The draft minutes of October 29, 1999 were adopted as modified. The draft minutes of February 4, 2000 were adopted as modified.

2. R98041/C00003 Transfer of Request from BPS.

Interpretation Request:

"Please interpret the meaning and intent of what a 'super-nomination' is. Also, please clarify whether a Transportation Service Provider permitting (and not requiring) a shipper to nominate across pipelines in the same family is exceeding the GISB standard".

Proposed Interpretation response:

"The infrastructure exists within, and using, the GISB standards for a Service Requester to move gas from wellhead to burner-tip. In particular, the last sentence of GISB Standard 1.1.3 which states:

'A super-nomination is a nomination that contains all the nominations describing the path from the wellhead to the burner-tip.'

should be interpreted to mean:

'A super-nomination is a transmittal that contains all the line items describing the path from the receipt point to the delivery point.'

Given this interpretation of the last sentence of GISB Standard 1.1.3, the infrastructure does exist for a Service Requester to send multiple Transportation Service Provider (TSP) nominations to a party receiving multiple TSP nominations for retransmission to the applicable TSPs.

Lastly, a Transportation Service Provider (TSP) which permits (but does not require) a Service Requester to submit a nomination or nominations which traverse multiple TSPs (including those TSPs in the same corporate family) is exceeding the GISB standard."

Moved by Greg Lander and seconded by Mark Scheel. Vote was recorded as Vote 1 on the Attendance list passed.

After the vote passed there was discussion as to what to do next. The recommendation was made to send the C00003 portion to the GISB Office to be sent out for industry comment and forwarded to the EC and to send the R98041 portion (the same text) to BPS as an answer to its

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request to Interpretations. The BPS could then decide to process the R98041 portion or to await EC and membership action.

C00002 Boeing

Interpretation Request:

“If the calculation results in a reimbursement of less than 0.5 decatherms, does the pipeline round down to zero or up to 1 (creating a one dekatherm minimum fuel-in-kind charge)? Is zero a decatherm.”

Discussion: There was discussion again along the lines of last week’s discussion of the gaming aspect. The removal from the proposed interpretation from the May 26th meeting of the “on the other hand” sentence was in response to several participants discomfort with opining on other ways to address the gaming issue. It was noted that being silent on the matter did not preclude anyone who wanted a standard way of dealing with the issue to file a request. Silence also meant that a TSP could file a different way of addressing the issue with the applicable regulatory body. Lastly, it was observed that as the standard and the interpretation response address the line item only, a practice of dealing with the issue at other than the line item level was also outside of what GISB has addressed with respect to in-kind fuel reimbursement calculations. The below listed restated request for interpretation and proposed response reflect changes made during the meeting.

Restated Request for Interpretation:

“When the calculation of in-kind fuel reimbursement generates an amount less than 0.500 Dth, does the TSP round down to zero or up to 1? The effect of rounding up to 1 would be to create a one Dth minimum fuel-in-kind charge while the effect of rounding down would be to have a zero Dth reimbursement and possibly encourage gaming. Is zero a Dth?”

Proposed Interpretation Response:

“The mathematical effect of GISB Standard 1.3.15, the rounding standard, can generate a zero Dth result for any particular line item.”

Moved as above by Paul Keeler seconded by Mark Scheel. The motion passed unanimously and the voting is reflected as Vote 2 on the Attendance Log.

The committee discussed sending both work products to the GISB Office to be sent out for industry comment and forwarded to the EC. This was unanimously consented to. In order to address the matter of the “draft state” of the minutes for this meeting, it was agreed that the draft minutes would be posted. It was also agreed that participants would e-mail to Greg their changes by June 9th, 2000 and that he would accept the changes and then post the minutes as final after that time. In this way, the minutes would be final without having to schedule a meeting just to review and finalize the minutes.

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3. Next meeting and agenda

There is no next meeting scheduled at this time. The meeting Adjourned at 2:05 Central Time.

4. Meeting Attendees and Voting Record

Attendee	Organization	Voting Member of the committee	GISB Member	Vote 1	Vote 2
Pipelines:					
Dale Davis	Williams Gas Pipeline		X		
Mark Gracey	Tennessee Gas		X		
Theresa Hess	Enron - Transwestern		X		
Paul Love	Kinder Morgan	X	X	Yes	Yes
Shelley Corman	Enron - Florida Gas	X	X	Yes	Yes
Kim Van Pelt	CMS-Panhandle		X		
Services:					
Debra Stubblefield	Corcoran Law Office		X		
Greg Lander	CapacityCenter.com	X	X	Yes	Yes
Mark Scheel	Dynegy, Inc.	X	X	Yes	Yes
Randy Young	Koch Midstream		X		
Producers:					
Paul Keeler	Burlington Resources	X	X	Yes	Yes
End Users:					
Tina Patton	Boeing	X	X	Yes	Yes
LDC's:					
Steven Sullivan	Consolidated Edison	X	X	Yes	Yes

NP signifies not present for vote

Bold name signifies the Interpretations Subcommittee Chair

Bold "X" signifies Interpretations Subcommittee Voting Member.