

TO: GISB Executive Committee ("EC") Members

FROM: Koch Gateway Pipeline Company  
Koch Midstream Pipeline Company

RE: EBB-Internet Implementation Task Force Standards out for comment

DATE: January 14, 1999

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As participants in the EBB-Internet Implementation ("EII") Transition Task Force, Koch Gateway and Koch Midstream (hereinafter "Koch") appreciate the amount of time, effort, and negotiation that have gone into the proposed standards that are currently out for comment. Koch supports many of the proposed standards, but would also like to offer the following observations: (a) some of the proposed standards are not in keeping with the spirit of the CAMEL model, and (b) should all of these standards be approved, they will not be in the best interest of Koch's customers or the industry as a whole.

The CAMEL model was proposed by several segments as a compromise on what the industry should do about standards for Internet Web sites. Koch supported the CAMEL model, primarily because it states that standardization will not reach extreme levels. In other words, Koch expected that EII would craft standards regarding navigation tools and links that would appear at certain places on Web sites, but Koch did not expect to see standards regarding the ordering of data elements on certain parts of the Web site screens for all pipeline business processes (e.g., nominations, flowing gas, invoicing, capacity release, etc). Koch believes that standards such as these go far beyond what was envisioned in the CAMEL model. Koch has voiced its opinion in numerous meetings of the task force, along with several other pipelines that share its concerns. However, through the balanced voting process operating in the EII Task Force, a very small number of producers and marketers have been able to vote in these kinds of standards, despite strong opposition in the pipeline segment.

Koch realizes the nominations-related EII standards have already been approved by the EC, and Koch was supportive of these primarily because of the critical importance of nominations to all pipeline processes and customers, and the fact that nominations require extensive user data input. However, Koch is struggling to support some of the standards currently out for comment because of the nature of the remaining business processes. That is, flowing gas, invoicing, capacity release, and contracts-related Web pages should not require a great deal of data from customers, and therefore, EII should not be writing extremely detailed standards that dictate the ordering of data elements for these business processes.

Koch's impetus for objecting to this level of standardization is its customers, the majority of whom are not present at GISB meetings. They, like many other entities in the industry, cannot afford to send representatives around the country to attend meetings, and are often unable to devote personnel to volunteer to cover GISB issues. Therefore, Koch feels an obligation to try to honor its customers' desires in GISB meetings, and this includes resisting extreme levels of standardization on pipeline Web sites. Koch believes it is impossible for a small number of people, like those in the EII Task Force, to design what is essentially one pipeline Web site system for all pipeline users, but this is what is being proposed in the EII Task Force.

Koch urges the EC to carefully ponder its next steps. Pipelines are being put in the unenviable position of having their compliance filings with the Commission seriously scrutinized and, in all likelihood, protested by customers who did not participate in the GISB process. Many of these customers may consider the changes being suggested in the standards a degradation of service. Further, Koch does not believe that it is in the best interest of the industry to standardize pipeline Web sites (and in the future, LDC Web sites) to the extent currently being considered. Koch urges the EC to strike any and all standards that propose to "lock in" data elements in certain parts of the screen in a particular order, in both this package of standards and any other packages that may be presented to the EC at a later date.

Thank you for your consideration of these comments.