

TO: GISB Executive Committee (“EC”) Members
FROM: Koch Gateway Pipeline Company
RE: Request for Industry Comment on Proposed Standards
DATE: July 1, 1999

As participants in numerous GISB task forces and subcommittees, Koch Gateway (hereinafter “Koch”) appreciates the amount of time, effort, and negotiation that have gone into the voluminous number of proposed standards and recommendations that are currently out for comment. Koch supports the majority of the proposed standards, but would also like to offer comments regarding the following items.

EII Recommendation

On January 14 and March 5, 1999, Koch submitted comments to the EC regarding the proposed standards promulgated by the EBB-Internet Implementation (“EII”) Task Force. In those comments, Koch opposed the specific ordering of categories on screens, as the ordering may not be preferred by Koch’s customers. Koch also objects to those standards that require ordering on screens that involve little, if any, customer data input. The standards currently out for comment to which Koch objects are s46 (revised 1.3.54), s68 (revised 1.3.60), s69 (1.3.61), s81, s80, revised 4.3.28, s11, and s12.

R98011/R98012

R98012

Upon investigation of the history of 2.3.A, Koch could not clearly determine the intent of the third paragraph. There is no explanation or discussion in any meeting minutes or other documentation. The language contained in this paragraph is obscure at best, and Koch would like for the EC to decipher the paragraph prior to its vote on this recommendation. This will help ensure that implementing parties will have a clear understanding of its intent without having to submit an official Interpretation request.

Instructions to Information Requirements Subcommittee

Koch opposes the inclusion of the “Instructions to Information Requirements Subcommittee” in this recommendation because:

- the “instructions” are really standards,
- the “instructions” contain terms that are undefined in GISB, and
- the “instructions” appear to contain questionable assumptions.

These “instructions” are unnecessarily complex and are unlike the typical instructions to IR from subcommittees. That is, these “instructions” are written like standards, not the usual brief sentences/phrases that alert IR about what it is being asked to examine by another GISB group. Instructions to IR should allow the subcommittee to determine how best to deal with a particular situation - that is, they should allow IR to craft the best implementation. These “instructions” do not give IR the latitude to which it is entitled and will likely require interpretation by IR in order to determine what it is to do. It is also very possible that the “instructions” will generate a list of questions that BPS will have to answer, which will further delay both committees. IR agenda items such as these that will unnecessarily consume significant portions of task force and subcommittee time merely in interpretation should be avoided.

Koch also objects to the terms “primary Allocating Party” and “secondary Allocating Party” used in the “instructions.” First, these terms are undefined and are not currently in use in any GISB standards or data sets. In fact, the terms were used in work papers and/or proposed standards that have since been withdrawn, and retaining them will only cause confusion. Second, these terms imply that allocations are performed in a specific order - for example, the upstream party allocates, and then the downstream party allocates - which is not necessarily true.

There is another questionable assumption referenced in the first sentence of the second paragraph of Instruction #1. It states:

After the primary Allocating Party has provided allocated quantities to the Confirming Party(ies) on the other side of the location, the Confirming Party which is the operator of the other side of the location (the secondary Allocating Party) employs the allocated quantities received from the primary Allocating Party to provide allocated quantities to its parties in manner consistent with the allocated quantities provided to it by the primary Allocating Party. (Emphasis added.)

This sentence seems to assume that a confirming party is always an operator, and depending on the business practices and situation, this may not always be true. In fact, there have been discussions in the Confirmations and Cross Contract Ranking Subcommittee regarding situations where the above statement is not true, such as where the pipeline may confirm with a working interest owner that is not the operator. The “instructions” do not mention address such situations.

Therefore, for the reasons stated above, the Instructions to Information Requirements Subcommittee should not be included as part of the recommendation for R98011 and R98012.

Thank you in advance for your time and thoughtful consideration of these comments.