



Gas Industry Standards Board

1100 LOUISIANA, SUITE 4925

HOUSTON, TEXAS, 77002

PHONE - (713) 757-4175, FAX - (713) 757-2491, email gisb@aol.com

HOME PAGE www.gisb.org

March 30, 1998

TO: GISB Membership and posting on the home page for interested industry participants
FROM: Rae McQuade, Executive Director
RE: MINUTES FOR THE CONTRACTS TASK FORCE FOR OBAS MEETING -- MARCH 30, 1998

I. Administrative

Ms. McQuade gave the roll call. Mr. Buccigross welcomed the attendees to the task force call and gave the antitrust advice. The agenda was adopted with one change to review the previous minutes of August 6, 1998 for adoption. The draft minutes were reviewed and adopted with no changes. Mr. Buccigross was confirmed as the Contracts Subcommittee chair and Ms. Corcoran was confirmed as the OBA Task Force chair.

II. Review of Request R95003

Mr. Buccigross read GISB Request No. R95003, requesting the development of a standard OBA Agreement. Recent minutes showed that the participants had decided to not develop a standard OBA contract. Ms. McNeal noted that the August 6 meeting attendees determined that there was no need for a standard OBA. A recent INGAA survey revealed that greater than 90% of all pipeline interconnecting points operate under existing OBAs. Ms. McNeal further stated that the attendees did not consider it an appropriate use of time and resources to work on a standard OBA unless interest was expressed and the effort showed participation from all segments. Ms. Moseley supported Ms. McNeal's statements and further noted that interstate pipelines already operate under OBAs. Ms. Moseley added that pipelines would be willing to support other segments in development of a standard OBAs. Several participants noted that they saw no need for a standardized OBA contract, as OBAs have already been put in place. As other segments may need one, the pipelines would be willing to share their experience on OBA contracts with them.

Ms. Unruh asked that if the OBA contract were to be developed, how would the compensation issues be addressed? Several noted that there would be no value to the effort to develop a standard OBA. Others noted the difficulty in standardizing an OBA contract. Although several comments were made indicating a vote to determine if a standard OBA should be developed, Mr. Buccigross and Ms. McQuade observed that a vote could not be taken as it did not appear on the agenda. Procedurally, a recommendation would be drafted and then sent out for industry comment, after which it and the comments are forwarded to the Executive Committee for a vote. Mr. Buccigross noted that this will be placed on the next agenda for resolution.

III. Review of existing standards for consistency with imbalance netting functions, specifically GISB Standard No. 2.3.30 and relevant minutes, and relevant NOPR pages

Mr. Buccigross reviewed the relevant pages (pp. 30-35) of the Notice of Proposed Rulemaking Docket No. RM96-1-007 (the NOPR) regarding imbalance netting and GISB Standard Nos. 2.3.29 and 2.3.30. A related GISB Request No. R97118 is assigned to the Business Practices Subcommittee. This task force is charged with determining if a standardized OBA contract is needed and, if so, what it should be. It is also charged with determining what changes if any should be made to GISB Standard Nos. 2.3.29, "where economically and operationally feasible" and 2.3.30, "similarly situated imbalances" in



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light of the NOPR. Another charge of the group is to determine what standards if any are needed for imbalance netting across contracts. These items are described in two items of the 1998 Annual Plan.

IV. Development of additional work papers and assignments to modify submitted ones

Work papers are requested to develop the following items:

- ✓ Recommendation to decline GISB Request No. R95003
- ✓ Proposed Modifications to GISB Standard No. 2.3.29 in light of the NOPR
- ✓ Proposed Modifications to GISB Standard No. 2.3.30 in light of the NOPR
- ✓ Proposed Models for Imbalance Netting Standards and Associated Standards

V. Requests for volunteers to complete assignments for further work with dates for completion

Mr. Buccigross noted that all volunteers are welcomed to submit work papers. The papers should be submitted by April 16. It is anticipated that this task force will have concluded its work in June 1998, as listed on the 1998 Annual Plan.

VI. Discussion on next meeting

The next meeting will be a teleconference call in the afternoon, April 23, from 1:30 to 3:30 p.m. Please call the GISB office for the phone number and pass code. Work papers should be submitted by April 16 for posting. The agenda will have items for resolution of GISB Request No. R95003, and for review and discussion of work papers submitted regarding modifications to GISB Standard Nos. 2.3.29 and 2.3.30, and for review and discussion of work papers submitted regarding imbalance netting and trading models. The meeting following April 23 will be held in person rather than over the phone.

VII. Adjourn

Meeting adjourned at 2:20 p.m.



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VIII. Attendance

Segment	Participant	Company	GISB Member
Pipelines:	Paul Stein	ANR Pipeline	✓
	Sherry Hill	ANG Pipeline	✗
	Bill Griffith	CIG	✓
	Michelle Banker	CNG Transmission	✓
	Mary Sue McNeal	EPNG	✓
	Laura Moseley	FGT	✓
	Julie Unruh	Koch Gateway	✓
	Wayne Burton	NGPL	✓
	Karen Boren	NGPL	✓
	Rick Dietz	Northern Natural Gas	✓
	Scott Colburn	Northern Border	✓
	Doug Hahn	PG&E Gas Transmission	✓
	Betty Barnum	PEPL	✓
	Dan Piche	Portland Natural Gas Transmission	✓
	Mark Gracey	Tennessee Gas Pipeline	✓
	Dave Weathers	TETCO	✓
	Carl Rogers	Transco	✓
	Frasier King	Transwestern	✓
	Ken Schubert	TransCanada Pipe Lines	✓
	Richard Marino	Trunkline	✓
LDCs:	Kelly Wachter	Williston Basin	✓
	Steve Sullivan	ConEd NY	✓
Producers:	Lisa Russo	National Fuel Gas Distribution	✓
	Bob Wallenhorst	Exxon	✓
Services:	Jerry Hahn	Texaco	✓
	Jim Buccigross	National Registry of Capacity Rights	✓
	Pat Bowen	PG&E Texas	✓
	Lisa Hassold	PG&E Texas	✓