

**GISB OBA TASK FORCE MEETING**  
**MONDAY, APRIL 14, 1997**

The OBA Task Force held their initial meeting on Monday, April 14, 1997, at Valero's offices in Houston. Martha Murphey (Valero) opened the meeting with introductions and housekeeping instructions. Martha reviewed the principles, definitions and standards already defined by GISB pertaining to OBAs. Carol Melcher, an attorney for Valero, issued the anti-trust warning to the group.

There was some confusion among the group as to why a meeting had been called. Some of the questions raised: 1) Was the intent of the meeting to come up with a "model OBA" contract, similar to the Model Trading Partner Agreement or to come up with a "mandatory standard" contract? And if the intent is to come up with some sort of standard or model document, should the scope be limited, i.e. only pipeline to pipeline interconnects?; 2) Was the intent to come up with a laundry list of "standard" business practices related to an OBA?; and 3) Does the industry even need a standard document? Per the INGAA Grid Integration Project, approximately 95% of all interstate interconnects have OBA's in place. At this time, the focus of the meeting was directed at OBA's for pipelines.

Theresa Hess (Enron) suggested the group look at the request for a standard (R95003) for clarification. Valero submitted this request in 1995. Valero requested GISB draft a "standard OBA contract" with cash out provisions in order to settle imbalances. Many in the group, including Cynthia Corcoran (PanEnergy) and Dale Davis (Transco), voiced concern regarding a "standard" contract. They were concerned FERC would mandate use of such a document.

Charlie Bass (Tennessee) explained that Tennessee's OBA is not part of the tariff. Instead, the OBA issues communication instructions to the two parties. Charlie suggested that the group might want to come up with some standards regarding communications. Larry Cunningham (Transco) felt communication standards might hinder a process which is already working very well.

Lisa Shorb (NGPL) suggested the group might want to look at the common business practices associated with OBA's and perhaps standardize these. Dale Davis pointed out this was probably out of scope for the group and business practice issues belong with the BPS.

After approximately an hour of discussion, the group consensus was that the OBA process was working well and each pipeline had different OBA requirements based on that particular pipe's operating conditions. The question posed to Valero was, in light of the morning's discussion, would they withdraw their request? Martha will speak with Valero management regarding this issue. If the request for standard is not withdrawn, the group proposed the following: 1) Until the outcome of the Board vote in May regarding the scope of GISB is known, the group does not feel comfortable pursuing this issue; 2) If or until GISB redefines standard 2.3.29, the group does not feel it has enough clarification to come up with a model or standard document.