

R96022



September 23, 1996

Ms. Rae McQuade  
Executive Director  
Gas Industry Standards Board  
1100 Louisiana Street  
Suite 4925  
Houston, TX 77002

**Subject: Request for enhancement to existing GISB standard**

Dear Ms. McQuade

Please find attached The National Registry of Capacity Rights' request to enhance certain existing GISB principles by adopting them as standards. The Registry feels these proposed changes would strengthen the GISB standards and allow industry participants to implement business practice changes with confidence.

Should you have any questions or require additional information, please feel free to contact me at (508) 535-5868. Thank you.

Sincerely,

Cheryl L. Loewen  
Vice President

**Gas Industry Standards Board  
Request for Initiation of a GISB Standard for Electronic Business Transaction  
or Enhancement of an Existing GISB Standard for Electronic Business Transactions**

**Date of Request:** September 23, 1996

**1. Submitting Entity & Address:**

National Registry of Capacity Rights, Inc.  
83 Pine Street, Suite 102  
W. Peabody, MA 01960

**2. Contact Person, Phone #, Fax #, Electronic Mailing Address:**

Cheryl Loewen  
Vice President  
E-mail: cc003783@nterramp.com  
Phone: (508) 535-5868  
Facsimile (508) 535-9056

**3. Description of Proposed Standard or Enhancement:**

The proposed enhancement to certain existing GISB principles is made in response to the Federal Energy Regulatory Commission's Order No. 587 which stated, "The Commission will incorporate the principles, since they are a part of the GISB documentation and provide guidance as to the intended meaning of the standards. Pipelines, however, will not be expected to comply with the principles unless they are officially adopted as standards." The Commission has made a clear and fair determination in this regard which is intended to assist GISB in determining the appropriate classification for the resolutions it adopts.

Clearly, not every principle should be a standard. This said, there are several GISB principles, adopted in March 1996 which, in keeping with the Commission's guidance, ought to be officially adopted standards. The following GISB resolutions contain, without exception, positive statements of business process which should be recognized and treated as standards.

**GISB 1.1.1**

**The nomination, confirmation and scheduling timeline for gas to flow on the first day of the calendar month is governed by standard 1.3.2.**

This standard recommends that the first of the month should be treated similarly to every other day, and that no special circumstances or additional requirements be made in order to move gas on those days. Clearly, GISB intended all pipelines to comply with this standard.

#### **GISB 1.1.4**

**Pre-nominations are not a required step in the nominations process.**

The pre-nomination process was used by very few pipelines and added significantly to the administrative burden shippers using those pipes faced in their attempts to exercise transportation rights and coordinate gas flow across multiple pipes. GISB determined, as part of streamlining and standardizing the nomination process, that pre-nominations are no longer required. This statement is mis-characterized as a principle and should be adopted as a GISB standard.

#### **GISB 1.1.7**

**Activity codes should be included in the nominations data elements, and usage is at the shipper's option if offered by the transportation service provider.**

This resolution was mistakenly presented as a principle as it clearly has implications for several pipelines and the many shippers on those pipelines who currently support the use of activity codes. Absent reclassification and adoption as a standard, it is quite possible that each individual pipeline will continue to set its own requirements concerning the submission and use of this data element, and shippers will have no standard business practice to rely on. Principle 1.1.7 was intended to be a standard.

#### **GISB 3.1.2**

**Elements should stay consistent from nomination through billing.**

This resolution is more than a guiding principle. It should be adopted as a standard which is intended to govern and ensure consistency as the activities of the gas industry progress through various transactions. If this is not adopted as a standard, the efficient flow of data could be seriously impeded due to intracompany and intercompany miscommunication.

#### **GISB 4.1.5**

**Data should be made available to all requesters in an accepted standard format comparable both in time and delivery mechanism.**

The intent of this resolution is to set a business standard which states that standard formats, communication timing and delivery mechanisms should be used. This is a general standard, on which other specific standards depend and should be incorporated by industry participants into their business practices to ensure consistent focus and intent.

#### **GISB 4.1.6**

**Data providers (transportation service providers) should interface with third party vendors according to GISB standards.**

This resolution should be adopted as a GISB standard as it is intended to ensure that all industry participants continue to work together to provide efficient, effective communication interfaces and that GISB, not individual participants, will set industry-wide standards for interaction between market participants.

#### **GISB 4.1.7**

**Electronic communications between parties to the transaction should be done on a nondiscriminatory basis, whether through an agent or directly with any party to the transaction.**

This resolution is intended to set a business practice standard that a company's independent choice of practical and available electronic communication mechanism(s) will not create any bias with respect to how that company's communications are treated by their trading partners. This principle should be adopted as a standard.

#### **GISB 4.1.8**

**The same business result should occur regardless of the electronic delivery mechanism. This principle should guide the definition of the business process, data content of the transaction, and the timing of the transaction.**

This resolution contains two different concepts. The first sentence should be adopted as a business practice standard as it sets forth a common and founding premise for electronic communication. The second sentence should be deleted from the standard.

#### **4. Use of Proposed Standard or Enhancement (include how the standard will be used, documentation on the description of the proposed standard, any existing documentation of the proposed standard, and required communication protocols):**

Each of the standards would be incorporated into GISB's business practice implementation guides and could be firmly relied upon by gas industry participants as they move forward to streamline their business activities.

#### **5. Description of Any Tangible or Intangible Benefits to the Use of the Proposed Standard or Enhancement:**

Adopting the enumerated principles as GISB standards would serve to fully implement the intent to standardize electronic business transactions, as contemplated by parties who adopted these principles. Secondly, adopting these

resolutions as standards would improve transactional certainty in many areas and further develop the seamless, national, gas transportation grid.

**6. Estimate of Incremental Specific Costs to Implement Proposed Standard or Enhancement:**

There are no incremental costs associated with enhancing the enumerated existing GTSB principles to adopt them as standards, other than the administrative effort necessary for the Executive Committee to accept the proposed enhancements and GTSB's membership to ratify the EC's decision

**7. Description of Any Specific Legal or Other Considerations:**

At this time, there are no known legal or other considerations to be addressed.

**8. If This Proposed Standard or Enhancement Is Not Tested Yet, List Trading Partners Willing to Test Standard or Enhancement (Corporations and contacts):**

Not applicable

**9. If This Proposed Standard or Enhancement Is In Use, Who are the Trading Partners:**

Not applicable

**10. Attachments (such as further detailed proposals, transaction data descriptions, information flows, implementation guides, business process descriptions, examples of ASC ANSI X12 mapped transactions).**

Not applicable.