

Brussels, June 20th 2001

Summary of Meeting Held with GISB **May 29th 2001, Houston**

Reference 01MOM272

Present:

GISB

Ms. Rae McQuade	GISB Executive Director
Ms. Jo Ann Garcia	GISB Director
Mr. Mike Bray	GISB Consultant
Ms. Cynthia Corcoran	BTU President (End User)
Mr. Ron Mucci	Williams Senior Vice President (Pipeline)
Mr. Jim Templeton	CES Principal (End user)

GTE

Mr. Francesco Caria	GTE Vice President and Chairman of the Interoperability
WG	
Mr. Dominique Bayen	Gaz de France (Pipeline)
Mr. André Burkhardt	VNG – Direkt (Retail)
Mr. Thorsten Dinkela	VNG (Pipeline)
Mr. Erich Juranek	OMV (Pipeline)
Mr. Geir Kvael	Statoil (Producer)
Mr. Philippe Mannoni	GTE Secretariat

Introduction

The meeting between GISB and GTE followed the meetings of the GTE Interoperability WG to discuss the needs and views of the transmission companies regarding all standardisation matters. Following self introductions, Ms. McQuade welcomed the participants and introduced the meeting explaining the US context, the ambition and objectives of GISB. Mr. Caria presented the European context and underlined the GTE goal to be active in the Madrid process (EU Commission, Regulators, Member States and all involved parties).

1/ GTE Presentation

See GTE sheets

Focusing on the needs of users of the gas transmission networks (shippers), GTE's main objective is to contribute to increasing customer satisfaction within the framework of safe and efficient utilisation of those networks and based on non-discriminatory and transparent access. GTE perceives a role for itself in the European context in facilitating and promoting a fully operational integrated European gas market.

GTE will send to the Commission a comprehensive report on the following issues and will present it at the next Madrid Forum (EU Commission, Regulators, Member States, all involved parties) meeting scheduled on 2nd – 3rd July 2001:

- Balancing and Storage;
- Capacity and Congestion;
- Transmission Tariff;
- Interoperability.

2/ GISB Presentation

- Gas Industry Standards Board (set up in 1994) is a non-profit autonomous organisation.

Main objectives are:

- Develop and maintain **voluntary standards** governing electronic communications with input from all Segments of the natural gas industry;
- Enhance cross-industry communications to formulate **consensus based and market responsive** solutions;
- Enhance **the reliability** of gas services through easy access to uniform standard information.

- The Five Segments of the gas industry represented in GISB are as follows:

- End User;
- Local Distribution Company (LDC);
- Transmission company;
- Shipper;
- Producer.

- Board and Committees

- **Board of Directors** – 25 members (5 for each segment)
Deal with strategic, financial and governance issues
- **Executive Committee** – 25 members (5 for each segment)
Deal with standards creations and modifications
- **Sub-Committees** – roughly 30 groups
Deal with all standardization issues.

All meetings are open to any interested parties.

- Organisation

- **Balanced and Broad Based Process**
17 positive votes out of a possible 25 and at least 2 positive votes from each industry segment are necessary to take a decision.
- **Partnership with government organisations**
The FERC and the Department of Energy can attend all the meeting as observer (no vote).
- **Advocacy Policy**
Trade associations are non-voting members. GISB is totally independent from each segment.

- Standards Publication Process

- More than 40 transactions have been standardized for electronic communication.
- The Standards manuals follow the format of ISO 9000 Manuals.
- The Standards are used on a voluntary basis and allow information transfers and savings.

- Examples of Standard Issues

- Nomination
- Timing
- OBA
- Trading contracts
- Capacity release

- Invoicing

3/ Discussion

Key factors is to have a fair and balanced based process.

The subscription of GISB Members is 5,000 dollars per year.

First actions to be made are on the technical standards.

Most difficult actions are on political issues or some technical issues such as day nomination, cross-contract ranking (one-stop shopping)

4/ Conclusion

- Establishment of a permanent and useful partnership
- Link between the GISB and the GTE website
- Exchange return of experiences
- Provide a lot of information

GTE representatives will consider how to set up a similar organisation as GISB for the European gas market involving all concerned parties, in 2002.

Ms. Rae McQuade will attend the Madrid Forum scheduled on the 2-3 July 2001.

GISB and GTE will continue their constructive dialogue, exchange some documents and information.