

R97113

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

Date of Request: August 27, 1997

1. Submitting entity and address:

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2. Contact Person:

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3. Description of proposed standard or enhancement:

This proposal is to reclassify Standards 2.3.14, 2.3.26 and 3.3.15 to the category of "Principles".

4. Use of the proposed standard or enhancement:

Not applicable. Reclassification of an existing standard.

5. Description of any tangible or intangible benefits for the use of the proposed standard or enhancement:

Not applicable. Reclassification of an existing standard.

6. Estimate of incremental specific costs to implement proposed standard or enhancement:

Not applicable. Reclassification of an existing standard.

7. Description of any specific legal or other considerations:

These three standards prescribe deadlines for processing prior period adjustments. All three were passed by the Executive Committee at the March 7-8, 1996 meeting. The transcript shows that there was an initial discussion, without dissent, that they should be considered "principles", but when language additions were made, the word "standard" appeared in the text of the standards themselves.

There was no explicit categorization by the EC of these as standards, nor was there recognition that the conversation regarding "principles" should be superseded.

The first one considered by the EC was 3.3.15, dealing with the invoicing of prior period adjustments (referred to as 3.25 in the transcript). The discussion of this item appears on pages 127 through 140 of the March 8, 1996 transcript. Discussions on page 129, 130 and 132 center on this item being treated as a principle. It is only on page 135, when the caveat language regarding deliberate omissions, mutual mistake of fact and contractual or statutory rights was added, that the term "standard" found its way into the text. It appears the presence of that word became determinative with respect to categorization, but the EC deliberations seem to have been heading a different direction.

Standard 2.3.14 was discussed on pages 424 through 425 and Standard 2.3.26 was discussed on pages 351 through 357 in the transcript for the same day. The discussion of these items was essentially limited to referring to 3.3.15 and incorporating the same caveat language and consistent timeframes.

The EC discussion recognized that the industry should improve its performance with regard to finalizing numbers and these standards were crafted to establish targets towards which we should progress. Their categorization as standards rather than principles, arguably an oversight, makes them particularly difficult to implement on an absolute basis, recognizing the historical reality of industry contracts and complexities and the potential ambiguity of the caveat language. This is evidenced by the fact that these three standards were frequently discussed in Order 587 tariff filings and have been the topic of two GISB interpretations.

8. If this proposed standard or enhancement has not been tested yet, list trading partners willing to test the standard or enhancement:

Not applicable.

9. If this proposed standard or enhancement is in use, who are the trading partners:

Not applicable.

10. Attachments:

None