



MEMO

Date: November 9, 2004
To: ERCOT Board of Directors
From: Ray Giuliani
Subject: Data Correction Disputes

Issue for the ERCOT Board of Directors

ERCOT Board of Director Meeting Date: November 16, 2004

Agenda Item No.: 5b

Issue:

Whether it is appropriate to deny Market Participant disputes and ADRs that are filed with unspecific allegations about the accuracy of data supplied to ERCOT by TDSPs and other Market Participants (as required by Sections 10 and 15 of the Protocols) as a place-holder expecting improved data subsequent to the True-Up Settlement related to the Operating Day.

Background/History:

TDSP's continually provide to ERCOT improved/corrected ESI ID data. ERCOT has denied settlement and billing disputes and ADRs where the Market Participant has taken the position that, because ERCOT has new data, it should resettle the market based upon the new data. The only exception is if the data error results in an impact greater than 2% of the ERCOT Operating Day market transaction dollars, excluding bilateral transactions. (Protocols §9.2.5) Revisions to §20 of the Protocols make this matter less of a concern on a point-forward basis because Market Participants must now provide a detailed description of the basis for the ADR. (§20.2.1(4))

Key Factors Influencing Issue:

Key Factors to keep current practice:

- Allows ERCOT to consistently comply with the settlement timeline set forth in Section 9 of the Protocols and avoid the significant risks associated with a perpetual settlement cycle for any given Operating Day
- Allows ERCOT and Market Participants to “close the books” on any given Operating Day
- Allows Market Participants and ERCOT to focus resources on current Data Extract Variances
- Discourages “place holder” or imprecise disputes/ADRs and the administrative burden associated with them



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Key Factors to allow infinite resettlements:

- The market may never be *exactly* “right” for any given Operating Day
- TDSPs have no incentive to provide timely or accurate data
- There would be a significant adverse impact on claimants of existing ADRs currently filed for prior years

Alternatives:

- (1) Affirm the current approach used by ERCOT Staff;
- (2) Instruct ERCOT Staff to resettle Operating Days affected by data errors after True-Up even if the error is less than 2%; but, include a “hard” date (*e.g.* two years after the Operating Day) after which no more resettlements will occur*;
- (3) Allow infinite resettlements when any Market Participant requests it*; or
- (4) Approve alternative (1), (2) or (3) AND direct ERCOT and the TAC to explore methods of enforcing responsibility for submission of accurate and timely data.

* If ERCOT allows resettlement:

- Provide notice to all Market Participants and allow them to correct their data errors before the resettlement occurs
- Allow all Market Participants to file new disputes based on the Resettlement Statements issued as a result of the ADR resolution?
- Decide if Market Participants can seek resettlement for incremental changes only or for a line item that changed?

Conclusion/Recommendation:

ERCOT Staff recommends that the Board affirm that it is appropriate to deny that portion of Market Participant disputes and ADRs that are filed that relate to the accuracy of the data supplied to ERCOT by TDSPs and other Market Participants (as required by Sections 10 and 15 of the Protocols), even though ERCOT may have received data corrections subsequent to the True-Up Settlement related to the Operating Day.



Relevant Protocols Sections

9.2.5 Resettlement Statement

A Resettlement Statement will be produced using corrected settlement data due to resolution of disputes, correction of data errors.... The Board may, in its discretion, direct ERCOT to run Resettlement of any trade day to address unusual circumstances.

Resettlement due to *data error* will occur when the total of all significant errors in data results in an impact greater than two-percent (2%) of the ERCOT Operating Day market transaction dollars, excluding bilateral transactions. (Emphasis added)

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15.4.1 ESI ID Format

It is the *TDSP's responsibility* to create, assign, maintain and retire, as necessary an ESI ID to each SDP in its service area. (emphasis added)

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15.4.1.4 New ESI ID Creation

Since it is anticipated that the ESI ID will be based on the existing TDSP account or Premise numbers (with a prefix identifying the TDSP), the TDSP will assign and submit to the registration database ESI IDs for new Premises as service is extended to them. TDSPs that opt-in after the market startup will be responsible for the creation of ESI IDs for all existing SDPs in their service territory.

The TDSP will send ESI ID information using the 814_20. ERCOT will verify that this transaction meets SET specifications. ERCOT will respond to the TDSP within one (1) Retail Business Day, with acceptance or rejection of these transactions using the 814_21. At least the following data elements are required to be sent in the 814_20:

- (1) ESI ID;
- (2) Service Address; City, State, Zip;
- (3) Load Profile Type;
- (4) Meter Reading Cycle or Meter Cycle by day of month;
- (5) Station ID;



- (6) Distribution Loss Factor code; and
- (7) Premise Type.

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15.5 Database Changes

The TDSP will notify ERCOT of any changes in information related to an ESI ID for which it is responsible. The TDSP will send changes to ERCOT using the 814_20. ERCOT will respond to the TDSP within one (1) Retail Business Day, using the 814_21. In addition, ERCOT will send all affected CRs notice of the changes using the 814_20. Each CR will reply to ERCOT using the 814_21. The TDSP is responsible for the following data elements:

- (1) Service Address; City, State, Zip;
- (2) Load Profile Type;
- (3) Meter Reading Cycle or Meter Cycle by day of month;
- (4) Station ID;
- (5) Distribution Loss Factor code;
- (6) Eligibility Date;
- (7) Meter Type;
- (8) Rate class and sub-class, if applicable;
- (9) Special Needs Indicator;
- (10) Meter type, identification number, number of dials and role for each meter at the ESI ID, if ESI ID is metered;
- (11) For unmetered ESI IDs, number and description of each unmetered device; and
- (12) Premise Type.

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20.1 Applicability

Except as provided in this Section 20.1, Applicability, this Alternative Dispute Resolution Procedure (“ADR Procedure”) shall apply to all disputes between ERCOT and one or more Market Participants or between two or more Market Participants relating to the application,



implementation, and interpretation of, or compliance with, these Protocols, any other approved market guide, or related Agreements.

20.9.1 Adjustments Based on ADR Resolution

If Resettlement is possible to address an adjustment required by an ADR resolution, ERCOT shall issue a Resettlement Statement for the affected Operating Day(s) and shall adjust applicable timelines accordingly.