



MEMO

Date: January 9, 2007
To: ERCOT Board of Directors
From: Mark Dreyfus, TAC Chair
Subject: Retail Market Guide Revision Requests

Issue for the ERCOT Board of Directors

ERCOT Board of Director Meeting Date: January 16, 2007

Agenda Item No.: 14c

Issue:

Consideration of Retail Market Guide Revision Requests because of budgetary and staffing impacts.

Key Factors Influencing Issue: The Retail Market Subcommittee (RMS) met, discussed the issues and submitted recommendation reports to the Technical Advisory Committee (TAC) regarding the Retail Market Guide Revision Request (RMGRR) described herein. TAC considered the issues and voted to take action on the RMGRR as described below.

- ***RMGRR042, Mass Transition Process Necessary for PUCT Rule 31416. Proposed effective date: upon system implementation. Cost of entire RMGRR042 is estimated to be in the range of \$250K - \$500K and is expected to be absorbed in the overall project budget for PR-40038 TX SET 3.0 (priority 1.2, rank 54); staffing impacts for development to Commercial Services (EDI), Commercial Ops. Data Integrity & Admin. (CODIA), Enterprise Information Services (EIS), Enterprise Integration, and Retail Customer Choice (RCC), ongoing support will require 1 FTE (40% utilization) in the Retail Market Testing group; impacts to Electronic Data Interchange (EDI) – PaperFree, Enterprise Application Integration (EAI) – TIBCO, Customer Registration Database (Siebel), Enterprise Data Warehouse (EDW), Settlements and Billing Services (Lodestar), and NAESB computer systems; no impact to grid operations or practices. This RMGRR describes the process for a mass Customer transition, documents the roles and responsibilities for parties involved in a Mass Transition event outlines the process for submission of Customer billing contact information, adds a new Appendix for Customer billing contact information; and adds a new Appendix for Reporting of Provider of Last Resort (POLR) Customer class to the Public Utility Commission.***

On 09/13/06, RMS voted to recommend approval of RMGRR042 as revised by RMS and comments submitted by Nueces Electric Cooperative and ERCOT Staff. There was one abstention from the Consumer Market Segment. All Market Segments were present for the vote. On 10/11/06, RMS voted to recommend approval of RMGRR042 as



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revised by additional comments from ERCOT Staff and RMS, with the implementation of North American Energy Standards Board (NAESB) as the only transportation method to provide Customer billing contact information to ERCOT and for use of transmitting data to the market in the event of a Mass Transition. The motion passed with 14 abstentions – Electric Cooperative (2), Investor Owned Utility (2), Consumer (3), Independent REP (4), and Independent Power Marketer (3) Market Segments. All Market Segments were present for the vote. On 11/08/06, RMS voted to approve the RMS Recommendation Report and endorse the IA. There was one abstention from the Consumer Market Segment. All Market Segments were present for the vote. On 12/01/06, TAC unanimously voted to recommended approval of RMGRR042 as recommended by RMS. All Market Segments were present for the vote.

The TAC Recommendation Reports and Impact Analysis associated with this RMGRR are included in the Board meeting materials. In addition, this RMGRR and its supporting materials are posted on the ERCOT website at the following link: <http://www.ercot.com/mktrules/guides/retail/rmgrr.html>.

Alternatives:

- (1) Approve the TAC recommendation on RMGRR042 as described above or as modified by the Board;
- (2) reject the TAC recommendation; or
- (3) remand RMGRR042 to the TAC with instructions.

Conclusion/Recommendation:

As more specifically described above, TAC recommends that the Board approve the RMGRRR as described herein.