



Date: May 13, 2008
To: ERCOT Board of Directors
From: Mark Dreyfus, Technical Advisory Committee (TAC) Chair
Subject: Nodal Protocol Revision Request (NPRR)

Issue for the ERCOT Board of Directors

ERCOT Board of Directors (ERCOT Board) Meeting Date: May 20, 2008

Agenda Item No.: 8b

Issue:

Consideration of NPRR108, Fuel Oil Price (FOP) Clarification.

Background/History:

Unless otherwise noted: (i) all Market Segments were present for each vote and (ii) ERCOT Credit Staff and the Credit Work Group (Credit WG) have reviewed the revision request and do not believe it requires changes to credit monitoring activity or the calculation of liability.

- *NPRR108, Fuel Oil Price (FOP) Clarification [ERCOT]. Proposed effective date: upon implementation of the Texas nodal market. No incremental cost to ERCOT is anticipated; ERCOT Staff impacts, if any, will be determined through the normal budgeting process; no significant additional high-level impacts to computer systems, business functions, or grid operations and practices are anticipated.* This NPRR clarifies that the five-cent adder is charged by the gallon and removes references to the FOP for days when the Platts Oilgram Price Report is not published. NPRR108 was posted on March 3, 2008. On March 20, 2008, PRS unanimously voted to recommend approval of NPRR108 as submitted. On April 18, 2008, Protocol Revision Subcommittee (PRS) unanimously voted to endorse and forward the PRS Recommendation Report and Impact Analysis to TAC. On May 8, 2008, TAC unanimously voted to recommend approval of NPRR108 as recommended by PRS.

The TAC Recommendation Report and Impact Analysis for this NPRR are included in the ERCOT Board meeting materials. In addition, this NPRR and supporting materials are posted on the ERCOT website at the following link: <http://nodal.ercot.com/protocols/npr/108/index.html>.

Key Factors Influencing Issue:

The PRS met, discussed the issues, and submitted recommendation reports to TAC regarding the NPRR described herein. TAC considered the issues and voted to take action on this NPRR as described above.

**Alternatives:**

1. Approve the TAC recommendation on NPRR108, as described above or as modified by the ERCOT Board;
2. Reject the TAC recommendation; or
3. Remand NPRR108 to TAC with instructions.

Conclusion/Recommendation:

As more specifically described above, TAC recommends that the ERCOT Board approve NPRR108 as described herein.



ELECTRIC RELIABILITY COUNCIL OF TEXAS, INC.
BOARD OF DIRECTORS RESOLUTION

WHEREAS, the Electric Reliability Council of Texas, Inc. (ERCOT) Board of Directors (Board) deems it desirable and in ERCOT's best interest to approve NPRR108, Fuel Oil Price (FOP) Clarification.

THEREFORE be it RESOLVED, that the ERCOT Board hereby approves NPRR108.

CORPORATE SECRETARY'S CERTIFICATE

I, Michael G. Grable, Corporate Secretary of Electric Reliability Council of Texas, Inc., a Texas non-profit corporation, do hereby certify that, at its May 20, 2008 meeting, the ERCOT Board of Directors passed a motion approving the above Resolution by a vote of _____.

IN WITNESS WHEREOF, I have hereunto set my hand this _____ day of _____, 2008.

Michael G. Grable
Corporate Secretary