

## TAC Recommendation Report

<b>NPRR Number</b>	108	<b>NPRR Title</b>	Fuel Oil Price (FOP) Clarification
<b>Timeline</b>	Normal	<b>Recommended Action</b>	Approval
<b>Date of Decision</b>	May 8, 2008		
<b>Protocol Section Requiring Revision</b>	Section 2.1, Definitions		
<b>Proposed Effective Date</b>	Effective upon the Nodal Protocol Transition Plan's Texas Nodal Market Implementation Date, as prescribed by zonal Protocol Section 21.12, Process for Transition to Nodal Market Protocol Sections.		
<b>Priority and Rank Assigned</b>	Not applicable.		
<b>Revision Description</b>	This Nodal Protocol Revision Request (NPRR) clarifies that the five-cent adder is charged by the gallon and removes language referencing the Fuel Oil Price (FOP) for days when the <i>Platts Oilgram Price Report</i> is not published.		
<b>Overall Market Benefit</b>	Accurate definition for the meaning and use of the term.		
<b>Overall Market Impact</b>	None.		
<b>Consumer Impact</b>	None.		
<b>Credit Impacts</b>	ERCOT credit staff and the Credit Work Group (Credit WG) have reviewed NPRR108 and do not believe that it requires changes to credit monitoring activity or the calculation of liability.		
<b>Procedural History</b>	<ul style="list-style-type: none"> <li>➤ On 3/3/08, NPRR108 was posted.</li> <li>➤ On 3/20/08, PRS considered NPRR108.</li> <li>➤ On 4/16/08, the Impact Analysis was posted.</li> <li>➤ On 4/18/08, PRS reviewed the Impact Analysis and the PRS Recommendation Report.</li> <li>➤ On 5/8/08, TAC considered NPRR108.</li> </ul>		
<b>PRS Decision</b>	<p>On 3/20/08, PRS unanimously voted to recommend approval of NPRR108 as submitted. All Market Segments were present for the vote.</p> <p>On 4/18/08, PRS unanimously voted to endorse the Recommendation Report and forward the document to TAC. Then PRS unanimously voted to endorse the Impact Analysis and forward the document to TAC. All Market Segments were present for the votes.</p>		

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<b>Summary of PRS Discussion</b>	<p>There was no discussion preceding the vote on 3/20/08.</p> <p>There was no discussion preceding the PRS votes on 4/18/08.</p>
<b>TAC Decision</b>	On 5/8/08, TAC unanimously voted to recommend approval of NPRR108 as recommended by PRS. All Market Segments were present for the vote.
<b>Summary of TAC Discussion</b>	On 5/8/08, Market Participants discussed whether the <i>Platts Oilgram Price Report</i> prices are expressed in terms of cents per gallon. It was confirmed that these prices are in cents per gallon and that the proposed revisions were intended as a clarification.

### ERCOT/Market Segment Impacts and Benefits

<b>Assumptions</b>	1	<i>Definitions should accurately reflect the meaning and use of a term.</i>	
	2		
	3		
	4		
<b>Market Cost</b>		<b>Impact Area</b>	<b>Monetary Impact</b>
	1	<i>None</i>	<i>None</i>
	2		
	3		
<b>Market Benefit</b>		<b>Impact Area</b>	<b>Monetary Impact</b>
	1	<i>None</i>	<i>None</i>
	2	<i>Reduced congestion cost</i>	
	3		
<b>Additional Qualitative Information</b>	1		
	2		
	3		
	4		
<b>Other Comments</b>	1		
	2		
	3		
	4		

### Comments Received

<b>Comment Author</b>	<b>Comment Summary</b>
None	

### Original Sponsor

<b>Name</b>	Bill Barnes
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Company	ERCOT
Market Segment	Not applicable

## Proposed Protocol Language Revision

### 2.1 DEFINITIONS

#### Fuel Oil Price (FOP)

The sum of five cents per gallon plus the average of the *Platts Oilgram Price Report* for U.S. Gulf Coast, pipeline No. 2 oil, converted to dollars per million British thermal units (\$/MMBtu). The conversion is 0.1385 MMBtu per gallon. The *Platts Oilgram Price Report* indicates which Operating Days the prices are effective. ~~For Saturdays, Sundays, holidays, and other days for which *Platts Oilgram Price Report* does not publish an effective price, the effective price shall be the effective price for the Operating Day following the holiday or day without a published price.~~ In the event, at the time of settlement or calculation of generic costs, that the effective price for a particular Operating Day is not available, the effective price for the most recent preceding Operating Day shall be used.