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18 CFR Part 37

**Open Access Same-Time Information
System and Standards of Conduct; Final
Rule**

DEPARTMENT OF ENERGY**Federal Energy Regulatory Commission****18 CFR Part 37****[Docket No. RM95-9-003; Order No. 638]****Open Access Same-Time Information System and Standards of Conduct**

Issued February 25, 2000.

AGENCY: Federal Energy Regulatory Commission.**ACTION:** Final Rule.

SUMMARY: The Federal Energy Regulatory Commission (Commission) adopts a set of uniform business practices implementing the Commission's policies on transmission service price negotiation and on improving interactions between transmission providers and customers over OASIS nodes and amends 18 CFR 37.5 to require compliance with these practices. In addition, the Commission adopts a consistent naming convention for path names, replaces the Data Dictionary Element "ANC SERVICE TYPE" in the OASIS Standards and Communication Protocols Document (Version 1.3) with the term "AS TYPE," and clarifies the terms "DISPLACED," "SUPERSEDED," and "REFUSED" in § 4.2.10.2 of that same document and in the Data Dictionary Element.

EFFECTIVE DATE: This Final Rule will become effective on May 30, 2000.

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Before Commissioners: James J. Hoecker, Chairman; William L. Massey, Linda Breathitt, and Curt Hebert, Jr., Open Access Same-Time Information System and Standards of Conduct, Docket No. RM95-9-003; Order No. 638.

Final Rule

Issued February 25, 2000.

I. Introduction

In this final rule, the Federal Energy Regulatory Commission (Commission) adopts a set of uniform business practices, as set out in the attached "Business Practice Standards for OASIS Transactions" (BPS). The BPS implements the Commission's policies on transmission service price negotiation and on improving interactions between transmission providers and customers over Open Access Same-Time Information System (OASIS) nodes. The Commission mandates compliance with these practices by adopting a revision to 18 CFR 37.5. In addition, the Commission adopts a consistent naming convention for path names, replaces the Data Dictionary Element "ANC SERVICE TYPE" in the OASIS Standards and Communication Protocols Document, Version 1.3 (S&CP Document) with the term "AS TYPE," and clarifies the terms "DISPLACED," "SUPERSEDED," and "REFUSED" in the Data Dictionary Element and in section 4.2.10.2 of the S&CP Document.

II. Discussion*A. Overview*

In this final rule, we adopt a set of uniform business practices for use by transmission providers in conjunction with OASIS transactions. These uniform business practices are set out in the attached BPS. The Commission mandates compliance with these practices by adopting a revision to 18 CFR 37.5 that requires responsible parties to follow the standards set out in the accompanying BPS.

The uniform business practices we are here adopting are largely the same as those proposed in the notice of proposed rulemaking issued by the Commission on January 27, 1999 (UBP NOPR).¹ These uniform business practices originated as a set of recommendations from two industry groups, the Commercial Practices Working Group and the OASIS How Working Group (jointly CPWG/How Group), as presented in two 1998 filings.² These industry proposals, accompanied by public comment, evolved into the UBP NOPR, and after

¹ Open Access Same-Time Information System and Standards of Conduct, notice of proposed rulemaking, 64 FR 5206, 86 FERC ¶ 61,061, FERC Stats. & Regs. ¶ 32,539 (1999).

² The CPWG is no longer functioning. Its activities have been taken over by a successor industry group, the Market Interface Committee (MIC), also referred to in note 8 *infra*.

a review of comments on the UBP NOPR, have now further evolved into this final rule. However, as discussed below, we have made certain revisions to those proposals, to reflect Commission policy, add clarity,³ and address comments received from interested persons. In addition, after reviewing comments on whether all of the business practices we adopt in this final rule should be adopted as mandatory standards, rather than as voluntary best practice guides, we are persuaded to do so.

In addition, as proposed in the UBP NOPR, we are adopting a consistent naming convention for path names, replacing the Data Dictionary Element "ANC SERVICE TYPE" in the S&CP Document with the term "AS TYPE," and are clarifying the terms "DISPLACED," "SUPERSEDED," and "REFUSED" in the Data Dictionary Element and in section 4.2.10.2 of the S&CP Document.

B. Background

On June 19, 1998, the CPWG/How Group⁴ filed a report entitled "Industry Report to the Federal Energy Regulatory Commission on OASIS Phase IA Business Practices" (June 19 Report) offering a set of uniform business practice standards and guidelines for adoption by the Commission. As explained in the UBP NOPR, the June 19 Report states that the recommended business practice standards and guides are intended to enable the Commission to implement its policy directives related to on-line price negotiation and to improve the commercial operation of OASIS. The UBP NOPR also explained that the June 19 Report states that the recommended standards and guides are intended to support FERC regulations, the *pro forma* tariff, and the S&CP Document. In a few instances, the June 19 Report recommended revisions to the *pro forma* tariff.

The June 19 Report argued that, because many OASIS-related business practice implementation details were left for transmission providers to determine for themselves, significant

variation arose among business practices across OASIS nodes and influences the development of markets. To reduce this variation and to promote greater consistency in the implementation of the Commission's open access policy and OASIS policy, the CPWG/How Group proposed that the Commission adopt its recommended "Phase IA Business Practice Standards and Guides" (Business Practices). In addition, on September 15, 1998, CPWG/How Group filed a letter with the Commission recommending standards for transmission path naming and requesting Commission approval coincident with the start of OASIS Phase IA (*i.e.*, starting on March 1, 1999).

After notices were published and comments were received and reviewed, the Commission issued the UBP NOPR, proposing the adoption of uniform business practice guides and standards, and standards for transmission path names. The UBP NOPR largely was modeled on the business practices recommended in the June 19 Report.

In response to the UBP NOPR, comments were filed by 19 interested persons.⁵ These comments are generally supportive of the UBP NOPR and of issuance of the BPS, although they contain specific suggestions for revisions. The comments will be discussed below on an issue-by-issue basis.

C. Composition of CPWG Membership

In the UBP NOPR, we reiterated the circumstances under which we would give weight to recommendations from industry working groups. We explained that consistent with Commission precedent,⁶ we would heed recommendations from industry working groups only to the extent that the views of those groups reflected an open process with input from diverse industry segments.

Comments

ECI⁷ argues that the Interim Market Interface Committee,⁸ a new industry working group under the auspices of NERC, does not meet the Commission's criteria for inclusiveness and diversity.⁹

⁵ Identified in Attachment E.

⁶ See, e.g., RIN NOPR, FERC Stats. & Regs. ¶ 32,516 at 33,173-74; Order No. 889, FERC Stats. & Regs. ¶ 31,035 at 31,589, n.13; Order No. 889-A, FERC Stats. & Regs. ¶ 31,049 at 30,549, n.7.

⁷ For brevity, the abbreviations used to identify the various commenters to the UBP NOPR are listed in Attachment E, and are not separately identified in the text.

⁸ This committee is no longer interim and is now the "Market Interface Committee" (MIC) referenced in note 2.

⁹ ECI Comments at 3.

In particular, ECI finds troublesome that MIC representatives are hand-picked by NERC, rather than elected by the membership. ECI fears this might lead NERC to choose MIC members based on their support for NERC-preferred positions, and to exclude members who oppose those views, even if those holding opposing views are more representative of that industry segment. In addition, ECI finds the current MIC requirement, that there be at least one representative from each of the ten NERC regions, lacks any built-in safeguards with respect to balancing the makeup of the regional representative group to assure the inclusion of participants from industry segments other than transmission providers. ECI argues that this results in a committee structure that is likely to remain tilted heavily in favor of transmission-owning utilities. Accordingly, ECI argues that MIC's membership selection process needs reform before the Commission should give deference to its recommendations for industry standards.

Discussion

As we stated in the UBP NOPR, we agree with ECI that unqualified deference should not be given to the recommendations of any industry group whose decisions are not made in an open inclusive process with balanced representation reflecting a broad consensus of views from all industry segments. Moreover, contrary to ECI's assertions, the UBP NOPR did not give "unqualified deference" to the recommendations of any industry group. This is shown by two facts: (1) The UBP NOPR contained revisions to the recommendations contained in the June 19 Report; and (2) we are issuing this Final Rule only after our consideration of comments on the UBP NOPR that we invited from any interested person.

Moreover, we reiterate that if, in the future, the MIC (or any other industry group) would like the Commission to consider its recommendations to reflect the views of the entire industry, then it is incumbent on it to demonstrate to the Commission that: (1) Its membership is open to all industry segments through an inclusive process; (2) it makes its decisions in a manner that gives fair voice to participants with diverse viewpoints from all industry segments; and (3) its activities are conducted in an open inclusive manner.¹⁰

¹⁰ See UBP NOPR at 33,609.

³ For example, for clarity, we are revising references in the BPS to "providers" to "transmission providers."

⁴ As more fully discussed in the UBP NOPR, FERC Stats. & Regs. ¶ 32,539 at 33,606-08, and in earlier orders, see Open Access Same-Time Information System and Standards of Conduct, Order No. 889, FERC Stats. & Regs. ¶ 31,035 at 31,588-91 (1996), *order on reh'g*, Order No. 889-A, FERC Stats. & Regs. ¶ 31,049 at 30,549 (1997), *order on reh'g*, Order No. 889-B, 81 FERC ¶ 61,253 (1997), we greatly appreciate the invaluable ongoing efforts contributed by industry working group participants who have strived for consensus on contentious OASIS-related issues and reported on those efforts to the Commission.

On the other hand, we encourage interested persons to participate actively in those industry efforts at consensus, rather than remain silent until the Commission invites public comment. See, e.g., note 87, *infra*.

D. Business Practices for Oasis Phase IA Transactions

1. Recommended Voluntary Guides and Mandatory Standards

The June 19 Report recommends certain business practices as mandatory standards and other business practices as voluntary "best practice" guides. In the UBP NOPR, we proposed to maintain the distinction between standards and "best practice" guides as recommended in the June 19 Report. At the same time, we recognized that uniform and consistent business practices are a desired result, and that consistency can best be achieved through mandatory standards rather than suggested guidelines. Accordingly, we invited comment on whether all or some guides should be adopted as standards.¹¹

Comments

A number of commenters recommend that all guides be made mandatory now or in the near future.¹² ECI argues that voluntary guides defeat the objective of imposing a uniform and consistent set of business practices and proposes that all the guides be made mandatory. In the alternative, ECI proposes that we set a date certain, at which time we would revisit the voluntary guides to determine whether they should be reclassified as mandatory. At a minimum, ECI argues that Guide 4.13 (Table 4-2)¹³ and Guide 4.16 (Table-3)¹⁴ should be made standards. ECI claims that if each transmission provider is permitted different timing requirements and different priorities it will be very difficult for customers to keep up with the "smorgasbord" of business rules when trading power among different transmission providers.¹⁵

Duke argues that the guides should be mandatory and that it is not appropriate for transmission providers to pick and choose which guides to follow, and which to ignore. Duke claims that the discretionary use of best practice guides will cause confusion among OASIS

users trying to learn about, and assess the importance of, differing business practices by various transmission providers. It argues that adopting the proposed standards and guides as mandatory standards would provide substantial and welcome uniformity.¹⁶

While Cinergy supports uniform consistent business practices, it asserts that more experience with the guides is needed before they are made mandatory. Cinergy proposes that the MIC report back in 12 months with a study containing recommendations and evaluations of the effectiveness of the standards and guides. Cinergy also argues that it is important for the Commission to differentiate in specific detail whether a guideline or standard applies to requests for firm or non-firm transmission, or both, so that incorrect assumptions are not made by the transmission provider and/or customer.¹⁷

Florida Power Corp argues that, while business practices are evolving it is important to maintain the level of flexibility provided by the guides. However, Florida Power Corp argues that it may be desirable to convert the guides into mandatory standards, after business systems and processes have further developed.

By contrast, several commenters support keeping all or some of the guides voluntary.¹⁸ AEP argues that the distinction between the standards and guides helped the participants in the process to reach agreement on the issues. BPA claims that while there is a need for consistent business practices, it is more important to permit some deviations. Southern argues that the guides are useful to facilitate innovation.

Discussion

Our experience with the natural gas pipeline industry¹⁹ has taught us that business practice standards, in addition to communication standards and protocols, are needed for the development of efficient markets and for the efficient use of the transmission grid.

In the UBP NOPR, we proposed to keep the distinction between the voluntary guides and standards. However, we specifically invited comment on whether we should adopt all of the proposed business practices as

mandatory standards.²⁰ After a review of the comments, we agree with ECI and Duke that all of the business practices being adopted in this final rule should be adopted as mandatory standards.

We agree with ECI and Duke that it would be confusing to customers if each transmission provider could independently decide whether to follow a particular uniform business practice or practices or make up its own unique business practice. Removing this uncertainty will aid customers and make it easier to transact business and move power across the grid.

Moreover, the arguments opposing mandatory standards were not compelling. The commenters favoring retention of voluntary guides failed to persuade us that any potential problems outweigh the advantages that we expect to achieve from the adoption of uniform mandatory business practice standards. We believe that the standards are sufficiently developed to allow their adoption as mandatory standards and that doing so will make it easier for customers to do business. Thus, we will make all the guides mandatory standards.

As to the argument that this is a still evolving area, while we recognize that these are the first OASIS-related business practices developed by the industry and that they will need revisions and enhancements as the industry gains experience doing business with them, we do not believe that this dictates that we defer the adoption of mandatory standards until a later date. However, we request that the MIC/How Group report back to us, within 9 months of the implementation date of these standards, with their recommendations as to any necessary revisions and additions to the standards.²¹

2. Standard Terminology for Transmission and Ancillary Services

a. Need for Standard Terminology

In the June 19 Report, the CPWG/ HOW Group recommends that we establish a standard set of attribute values to provide clarity and consistency in the labeling of transmission services.²²

¹¹ UBP NOPR at 33,609-10.

¹² Cinergy Comments at 1, Duke Comments at 3, ECI Comments at 2, Florida Power Corp Comments at 2, TEP Comments at 1.

¹³ Guide 4.13 specifies reservation timing requirements.

¹⁴ Guide 4.16 specifies priorities for competing reservation requests.

¹⁵ ECI Comments at 2.

¹⁶ Duke Comments at 3.

¹⁷ Cinergy Comments at 10.

¹⁸ AEP Comments at 2, BPA Comments at 2, Southern Comments at 2-3.

¹⁹ See, e.g., Standards for Business Practices of Interstate Natural Gas Pipelines; Order No. 587; Final Rule, 61 FR 39,053, FERC Stats. & Regs. ¶ 31,038 at 30,058-59 (1996)

²⁰ UBP NOPR at 33,610.

²¹ As explained in section VII, *infra*, these regulations are to become effective sixty (60) days from the date of publication of this rule in the **Federal Register**.

²² See June 19 Report at section 2.A, which recommends that standard attribute values be used in OASIS transactions to the greatest extent possible.

Comments

AEP, Cinergy, and TEP²³ support requiring standard terminology for existing and standard transmission and ancillary service products. Cinergy suggests that, to encourage innovation in the market, transmission providers should be allowed to use transmission products in addition to those included in the industry standards, and to document the attributes of these products on the OASIS.²⁴ AEP cautions that we should not allow standardization to stifle innovation in the market, by imposing excess rigidity on the provision of transmission service.²⁵

Discussion

We agree with the CPWG/How Group and commenters that standard attribute values should be used in OASIS transactions to the greatest extent possible. We disagree with concerns that this might impede flexibility and innovation in the marketplace, because standard attributes are intended to make the description of products more uniform, and are not intended as a limitation on what products may be offered. Therefore, transmission providers should use standard attributes to describe established products but, in addition, we continue to encourage transmission providers to offer additional innovative products (*i.e.*, to propose innovative services that are consistent with or superior to the *pro forma* tariff). Products with non-standard attributes are to be registered and documented on the industry-wide Home Page at www.tsin.com and on the OASIS site of the transmission provider offering such products. If the availability of such products becomes widespread, we may later add them to the list of standard attribute values.

b. Attribute Values Defining the Period of Service (Standards 2.1–2.1.13)

In the UBP NOPR, the Commission explained that the Phase IA S&CP Document, approved in the September 29, 1998 Order, provided for the inclusion of “fixed,” “sliding,” and “extended” transmission service period definitions. We further explained that some proposed definitions were not covered by the *pro forma* tariff, but that there was no prohibition against these services being provided under transmission providers’ individual open access tariffs. In the UBP NOPR, we proposed that Standards 2.1 through 2.1.13, as shown below, be adopted.

Standard 2.1: A Transmission Provider shall use the values and definitions below for the attributes Service-Increment and Window for all transmission services offered on OASIS, or shall post alternative attribute values and associated definitions on the OASIS Home Page at www.tsin.com, or shall use existing attribute values and definitions posted by other Transmission Providers. (See Section 3 for registration requirements.)

Standard 2.1.1: Fixed Hourly—The service starts at the beginning of a clock hour and stops at the end of a clock hour.

Standard 2.1.2: Fixed Daily—The service starts at 00:00 and stops at 24:00 of the same calendar date (same as 00:00 of the next consecutive calendar date).

Standard 2.1.3: Fixed Weekly—The service starts at 00:00 on Monday and stops at 24:00 of the following Sunday (same as 00:00 of the following Monday).

Standard 2.1.4: Fixed Monthly—The service starts at 00:00 on the first date of a calendar month and stops at 24:00 on the last date of the same calendar month (same as 00:00 of the first date of the next consecutive month).

Standard 2.1.5: Fixed Yearly—The service starts at 00:00 on the first date of a calendar year and ends at 24:00 on the last date of the same calendar year (same as 00:00 of the first date of the next consecutive year).

Standard 2.1.6: Sliding Daily—The service starts at the beginning of any hour of the day and stops exactly 24 hours later at the same time on the next day.

Standard 2.1.7: Sliding Weekly—The service starts at 00:00 of any date and stops exactly 168 hours later at 00:00 on the same day of the next week.

Standard 2.1.8: Sliding Monthly—The service starts at 00:00 of any date and stops at 00:00 on the same date of the next month (28–31 days later). If there is no corresponding date in the following month, the service stops at 24:00 on the last day of the next month.

For example: Sliding Monthly starting at 00:00 on January 30 would stop at 24:00 on February 28 (same as 00:00 March 1).

Standard 2.1.9: Sliding Yearly—The service starts at 00:00 of any date and stops at 00:00 on the same date of the following year. If there is no corresponding date in the following year, the service stops at 24:00 on the last day of the same month in the following year.

For example Sliding Yearly service starting on February 29 would stop on February 28 of the following year.

Standard 2.1.10: Extended Daily—The service starts at any hour of a day and stops more than 24 hours later and less than 48 hours later.

Standard 2.1.11: Extended Weekly—The service starts at 00:00 of any date and stops at 00:00 more than one week later, but less than two weeks later.

Standard 2.1.12: Extended Monthly—The service starts at 00:00 of any date and stops at 00:00 more than one month later but less than two months later.

Standard 2.1.13: Extended Yearly—The service starts at 00:00 of any date and stops at 00:00 more than one calendar year later but less than two calendar years later.

Comments

AEP, Duke, Florida Power Corp and VEPCO filed comments on these proposed standards. All are in support of including the products of “Fixed,” “Sliding,” and “Extended.” VEPCO comments that the “sliding” and “extended” services should not be required to be offered by the transmission provider, but if offered, they should conform to Standards 2.1.6 through 2.1.13, as proposed.²⁶ AEP comments that the “extended” service should be voluntary, because AEP’s tariff would not permit such service. AEP also suggests that we might use the standard definitions of “Fixed,” “Sliding,” and “Extended,” without the more rigid definitions of 2.1.1 through 2.1.13.²⁷ Duke suggests changes to standards 2.1.10 through 2.1.13, to permit “extended daily” for up to less than 168 hours, “extended weekly” for up to less than four weeks, “extended monthly” for up to less than twelve months, and to limit “extended yearly” to increments of full years. According to Duke, these changes would provide additional marketplace flexibility, and in the case of “extended yearly,” would prohibit customers from requesting service for two peak summer seasons without paying for two full years of service.²⁸ Florida Power Corp opposes the expansion of service attribute definitions for locational marginal pricing and megawatt-mile pricing.²⁹

Discussion

We will adopt Standards 2.1 through 2.1.13 as proposed in the UBP NOPR, except, as proposed by Duke, we will revise Standards 2.1.10 through 2.1.13 to read as follows:

2.1.10: EXTENDED DAILY—The service starts at any hour of a day and stops more than 24 hours later and less than 168 hours later.

2.1.11: EXTENDED WEEKLY—The service starts at 00:00 of any date and stops at 00:00 more than one week later, but less than four weeks later.

2.1.12: EXTENDED MONTHLY—The service starts at 00:00 of any date and stops at 00:00 more than one month later, but less than twelve months later.

2.1.13: EXTENDED YEARLY—The service starts at 00:00 of any date and stops at 00:00 more than one year later, but must be requested in increments of full years.

We agree with Duke that these changes will provide additional flexibility to transmission providers and customers. We also agree that the revisions to Standard 2.1.13 are

²⁶ VEPCO Comments at 2.

²⁷ AEP Comments at 4.

²⁸ Duke Comments at 4.

²⁹ Florida Power Corp Comments at 2.

²³ TEP Comments at 2.

²⁴ Cinergy Comments at 2.

²⁵ AEP Comments at 3.

appropriate. Under Standard 2.1.13, as here adopted, extended yearly service must be purchased in yearly increments, and customers reserving transmission for two peak seasons would pay for two full years of service. However, while Standard 2.1.13 would define extended yearly service as being offered in yearly increments, transmission providers may offer more flexible service, if approved by the Commission and posted in compliance with Standard 2.1.

As to the comments from VEPCO and AEP, the Commission clarifies that the products of “sliding” and “extended” service are not required to be offered. Thus, the availability of these products should not create conflicts with any transmission providers’ existing tariffs.

As proposed in the UBP NOPR, the definitions of “fixed,” “sliding,” and “extended,” will not be expanded to include attributes for locational marginal pricing and megawatt-mile pricing since these attributes are intended to describe types of services, not prices or rate designs for services. Florida Power Corp, which filed the only comment on this issue, supported the UBP NOPR’s proposal.

c. Attribute Values Defining Service Class and Type (Standards 2.2–2.3.2)

In the UBP NOPR, the Commission noted that the Phase IA S&CP Document, approved in the September 29, 1998 Order, included data templates that refer to service class and type, but that did not define these attributes. To fill this gap, the UBP NOPR, in Standards 2.2 through 2.3.2, proposed definitions for these attributes. Based on comments from interested persons, the proposed definitions differed somewhat from those recommended in the June 19 Report. The UBP NOPR proposed the following definitions:

Standard 2.2: A Transmission Provider shall use the values and definitions below to describe the service CLASS for transmission services offered on OASIS, or shall post alternative attribute values and associated definitions on the OASIS Home Page at www.tsin.com, or shall use the attribute values and definitions posted by other Providers. (See Section 3 for registration requirements.)

Standard 2.2.1: Firm—Transmission service that always has priority over NON-FIRM transmission service and includes Native Load Customers, Network Customers, and any transmission service not classified as non-firm in accordance with the definitions in the *pro forma* tariff.

Standard 2.2.2: Non-Firm—Transmission service that is reserved and/or scheduled on an as-available basis and is subject to curtailment or interruption at a lesser priority compared to Firm transmission service, Native Load Customers, and Network

Customers in accordance with the definitions in the *pro forma* tariff.

Standard 2.3: A Transmission Provider shall use the values and definitions below to describe the service TYPE for transmission services offered on OASIS, or shall post alternative attribute values and associated definitions on the OASIS Home Page at www.tsin.com, or shall use the attribute values and definitions posted by other Providers. (See Section 3 for registration requirements.)

Standard 2.3.1: Point-to-point—Transmission service that is reserved and/or scheduled between specified Points of Receipt and Delivery pursuant to Part II of the *pro forma* tariff and in accordance with the definitions in the *pro forma* tariff.

Standard 2.3.2: Network—Network Integration Transmission Service that is provided to serve a Network Customer load pursuant to Part III of the *pro forma* tariff and in accordance with the definitions in the *pro forma* tariff.

Comments

VEPCO filed the only comments on this issue. VEPCO has no objection to Standards 2.2 and 2.3, provided that the disclaimer “in accordance with the definitions in the *pro forma* tariff” is added to each definition. VEPCO argues that, if we incorporated the *pro forma* definitions verbatim into Standards 2.2.1, 2.2.2, 2.3.1, and 2.3.2, it would avoid confusion.³⁰

Discussion

As proposed in the UBP NOPR, we will include the disclaimer “in accordance with the definitions in the *pro forma* tariff” in Standards 2.2.1, 2.2.2, 2.3.1, and 2.3.2. As to VEPCO’s contention that we should incorporate the *pro forma* tariff definitions verbatim into Standards 2.2.1, 2.2.2, 2.3.1, and 2.3.2, we considered and rejected this option when we issued the UBP NOPR and likewise will reject this option in this Final Rule. The definitions in Standards 2.2.1, 2.2.2, 2.3.1, and 2.3.2 are consistent with those in the *pro forma* tariff, but define related, somewhat different, terms. While we have incorporated *pro forma* tariff definitions verbatim when defining identical terms, the terms being defined in Standards 2.2.1, 2.2.2, 2.3.1, and 2.3.2 are not precisely the same as those defined in the *pro forma* tariff.³¹ Moreover, in our view, for purposes of this rule, we need to define the precise

³⁰ VEPCO Comments at 2.

³¹ For example, while Standards 2.2.1 through 2.3.1 define “Firm,” “Non-Firm,” and “Point-to-Point,” respectively, the *pro forma* tariff, at sections 1.13, 1.18, and 1.27, defines “Firm Point-to-Point Transmission Service,” “Long-Term Firm Point-to-Point Transmission Service,” and “Non-Firm Point-to-Point Transmission Service.”

terms defined in Standards 2.2.1, 2.2.2, 2.3.1, and 2.3.2.

In addition, for clarity we will revise Standard 2.2.2 to reflect that service to Native Load Customers and Network Customers is included within firm service under Standard 2.2.1. We therefore will adopt a revised Standard 2.2.2 that provides as follows:

Standard 2.2.2: Non-Firm—Transmission service that is reserved and/or scheduled on an as-available basis and is subject to curtailment or interruption at a lesser priority compared to Firm transmission service, including service to Native Load Customers and Network Customers, in accordance with the definitions in the *pro forma* tariff.

d. Curtailment Priorities (Standard 2.4)

Standard 2.4, as proposed in the June 19 Report, provided as follows:

Standard 2.4: A Transmission Provider shall use the curtailment priority definitions in NERC Policy 9 Security Coordinator Procedures for NERC CURTAILMENT PRIORITY (1–7) for all transmission services offered on OASIS, or shall post alternative attribute values and associated definitions on the OASIS Home Page at www.tsin.com, or shall use attribute values and definitions posted by another Provider. (See Section 3 for registration requirements.)

In the UBP NOPR, we stated that “[w]e have not been persuaded to propose the adoption of Standard 2.4 as recommended in the June 19 Report. There is still considerable work to be accomplished in the area of developing procedures/definitions for establishing curtailment policy.” In the UBP NOPR, we also clarified the distinction between *establishing* curtailment priorities and *displaying* curtailment priorities. We stated,

[i]n the June 18 Order, we agreed to displaying curtailment priority information in certain templates contained in the S&CP Document. However, we specifically cautioned that,

our adoption of a place on the OASIS for these data elements does not constitute an approval of the NERC or other curtailment priorities.

As we stated in *Coalition Against Private Tariffs*,^[32] curtailment priorities are governed by the *pro forma* tariff.^[33]

Comments

Comments on this subject were filed by Cinergy, Florida Power Corp, and VEPCO. Cinergy³⁴ and Florida Power Corp³⁵ agree with the Commission that NERC Policy 9 should not be included in the OASIS Business Practices at this time. VEPCO disagrees, however, and

³² 83 FERC at 62,462.

³³ UBP NOPR at 33,638–39.

³⁴ Cinergy Comments at 3.

³⁵ Florida Power Corp Comments at 5.

urges the Commission to adopt the standard. VEPCO's position is that the NERC Curtailment Priority is a Standard Data Element defined in the S&CP Document, and the only means by which a Transmission Customer is informed on the OASIS of how the service it has requested ranks in relation to other services for curtailment purposes. VEPCO recommends that the proposed standard be adopted as a guide until such time as that curtailment policy becomes more fully developed.³⁶

Discussion

As explained in the UBP NOPR, this issue (whether to adopt Standard 2.4) involves how curtailment priorities (as governed by the *pro forma* tariff) are to be displayed. It does not involve what curtailment priorities should be established.

Standard 2.4, as recommended in the June 19 Report, would require those transmission providers who do not use the NERC curtailment priority definitions to post alternative attribute values and associated definitions on the industry-wide OASIS Home Page or to use values and definitions posted on the industry-wide OASIS Home Page by other transmission providers. These attributes are used in the NERC CURTAILMENT PRIORITY and OTHER CURTAILMENT PRIORITY fields of templates described in the S&CP Document. After a review of the comments, we are persuaded by VEPCO's suggestion that NERC's Policy 9, NERC TLR Procedures, should be adopted as Standard 2.4 so that OASIS users will better understand the information being posted about curtailment priorities. However, NERC TLR Procedures have not been adopted by all transmission providers in all of NERC's regions. Thus, to add clarity, we will make minor revisions to Standard 2.4 to clarify when the definitions in NERC TLR Procedures are to be used (when a transmission provider has adopted NERC TLR Procedures) and when the alternative attribute values and associated definitions are to be used (when a transmission provider has not adopted NERC TLR Procedures). We therefore will adopt a revised Standard 2.4 that provides as follows:

Standard 2.4: A Transmission Provider that has adopted NERC TLR Procedures shall use the curtailment priority definitions contained in NERC TLR Procedures for NERC CURTAILMENT PRIORITY (1–7) for all transmission services offered on OASIS. A Transmission Provider that has adopted

alternative curtailment procedures shall post its alternative attribute values and associated definitions on the OASIS Home Page at www.tsin.com, or shall use attribute values and definitions posted by another Transmission Provider. (See Section 3 for registration requirements.)

While we agree with Cinergy and Florida Power Corp that there is still considerable work to be accomplished in the area of developing and refining curtailment procedures,³⁷ this does not negate the need for current postings of curtailment priorities to be as informative as possible. Thus, we will adopt Standard 2.4 at this time, but will consider appropriate revisions to this provision in the future, if the terminology used therein becomes outdated.

e. Other Service Attribute Values (Standards 2.5–2.5.9)

In the UBP NOPR,³⁸ the Commission noted that Order No. 888 included six ancillary services that must be included in an open access tariff. In addition, a transmission provider may file to revise its open access tariff to include other services.³⁹ In the UBP NOPR, based on comments from interested persons, we deviated from recommendations in the June 19 Report and proposed the adoption of Standards 2.5 through 2.5.9, as follows:

Standard 2.5: A Transmission Provider shall use the definitions below to describe the AS TYPES offered on OASIS, or shall post alternative attribute values and associated definitions on the OASIS Home Page at www.tsin.com, or shall use attribute values and definitions posted by another Provider. (See Section 3 for registration requirements.) FERC Ancillary Services Definitions

Standard 2.5.1: Scheduling, System Control and Dispatch Service (SC)—is necessary to the provision of basic transmission service within every control area. This service can be provided only by the operator of the control area in which the transmission facilities used are located. This is because the service is to schedule the movement of power through, out of, within, or into the control area. This service also includes the dispatch of generating resources to maintain generation/load balance and

³⁷ Subsequent to issuance of the UBP NOPR, in North American Electric Reliability Council, 88 FERC ¶ 61,046 (1999), the Commission approved a NERC compliance filing that modified NERC's transmission loading relief (TLR) procedures referred to in the UBP NOPR at 33,614–15 & n.31.

³⁸ UBP NOPR at 33,615 & n.32.

³⁹ We note that in Order No. 888, FERC Stats. & Regs. ¶ 31,036 at 31,704 & n.349, our requirement that the six ancillary services be included in an open access transmission tariff does not preclude the transmission provider from voluntarily offering other interconnected operations services to the transmission customer along with its supply of basic transmission service and ancillary services.

maintain security during the transaction and in accordance with section 3.1 (and Schedule 1) of the *pro forma* tariff.

Standard 2.5.2: Reactive Supply and Voltage Control from Generation Sources Service (RV)—is the provision of reactive power and voltage control by generating facilities under the control of the control area operator. This service is necessary to the provision of basic transmission service within every control area and in accordance with section 3.2 (and Schedule 2) of the *pro forma* tariff.

Standard 2.5.3: Regulation and Frequency Response Service (RF)—is provided for transmission within or into the transmission provider's control area to serve load in the area. Customers may be able to satisfy the regulation service obligation by providing generation with automatic generation control capabilities to the control area in which the load resides and in accordance with section 3.3 (and Schedule 3) of the *pro forma* tariff.

Standard 2.5.4: Energy Imbalance Service (EI)—is the service for transmission within and into the transmission provider's control area to serve load in the area. Energy imbalance represents the deviation between the scheduled and actual delivery of energy to a load in the local control area over a single hour and in accordance with section 3.4 (and Schedule 4) of the *pro forma* tariff.

Standard 2.5.5: Operating Reserve—Spinning Reserve Service (SP)—is provided by generating units that are on-line and loaded at less than maximum output. They are available to serve load immediately in an unexpected contingency, such as an unplanned outage of a generating unit and in accordance with section 3.5 (and Schedule 5) of the *pro forma* tariff.

Standard 2.5.6: Operating Reserve—Supplemental Reserve Service (SU)—is generating capacity that can be used to respond to contingency situations. Supplemental reserve, is not available instantaneously, but rather within a short period (usually ten minutes). It is provided by generating units that are on-line but unloaded, by quick-start generation, and by customer interrupted load and in accordance with section 3.6 (and Schedule 6) of the *pro forma* tariff.

Other Service Definitions

Other services may be offered to Transmission Customers through individual filed tariffs. Examples of other services that may be offered include the Interconnected Operations Services described below in Guides 2.5.7, 2.5.8, and 2.5.9. Ancillary service definitions may be offered pursuant to an individual transmission provider's specific tariff filings.

Guide 2.5.7: Dynamic Transfer (DT)—is the provision of the real-time monitoring, telemetering, computer software, hardware, communications, engineering, and administration required to electronically move all or a portion of the real energy services associated with a generator or load out of its Host Control Area into a different Electronic Control Area.

Guide 2.5.8: Real Power Transmission Losses (TL)—is the provision of capacity and energy to replace energy losses associated

³⁶ VEPCO Comments at 2.

with transmission service on the Transmission Provider's system.

Guide 2.5.9: System Black Start Capability (BS)—is the provision of generating equipment that, following a system blackout, is able to start without an outside electrical supply. Furthermore, Black Start Capability is capable of being synchronized to the transmission system such that it can provide a startup supply source for other system capacity that can then be likewise synchronized to the transmission system to supply load as part of a process of re-energizing the transmission system.

In the UBP NOPR,⁴⁰ we also stated that we would replace the definition of "ANC SERVICE TYPE" with the term "AS TYPE."

Comments

VEPCO filed the only comments on this subject and raised no objection to the proposal in the UBP NOPR.

Discussion

Given the absence of any opposing comments, we will adopt these provisions, as proposed in the UBP NOPR, with the exception that, to add clarity, we will modify the paragraph on other service definitions, preceding Guide 2.5.7, to read as follows:

Other Service Definitions

Other services may be offered to Transmission Customers through Commission-approved revisions to their individual open access tariffs. Examples of other services that may be offered include the Interconnected Operations Services described below in Standards 2.5.7, 2.5.8, and 2.5.9. Ancillary service definitions may be offered pursuant to an individual transmission provider's specific tariff filings.

In addition, as discussed in section II.D.1, above, we will adopt proposed Guides 2.5.7–2.5.9 as Standards 2.5.7–2.5.9.

f. Scheduling Period (Standards 2.6–2.6.2)

As we explained in the UBP NOPR:

Recommended Guides 2.6, 2.6.1, and 2.6.2 refer to definitions established for the next-hour experiment, which begins November 1, 1998 and terminates March 1, 1999, with a report due to the Commission by March 31, 1999. It is premature to propose the adoption of these guides at this time, pending the outcome of the industry experiment.^[41]

Guides 2.6–2.6.2, as described (but not proposed) in the UBP NOPR,⁴² provided as follows:

Guide 2.6: A Transmission Provider should use the definitions below to describe the scheduling period leading up to the start time of a transaction:

2.6.1: Same-day is (i) after 2 p.m. of the preceding day and (ii) more than one hour prior to the service start time.

2.6.2: Next-hour is one hour or less prior to the service start time.

Comments

VEPCO and Florida Power Corp agree with the UBP NOPR that, pending the outcome of the Next-Hour Experiment, it is premature to adopt Guides 2.6–2.6.2.

Discussion

On September 29, 1998, the Commission authorized a four-month experiment, starting November 1, 1998, to test procedures to promote the Next-Hour market.⁴³ Subsequently, on July 28, 1999, the Commission reauthorized the experiment on an interim basis, until alternative solutions for electronic next-hour reservations on the OASIS are formulated and authorized.⁴⁴ In the UBP NOPR, we proposed not to adopt Guide 2.6, pending the outcome of the next-hour experiment and the development of authorized alternative solutions for electronic next-hour reservations. At the time when comments on the UBP NOPR were due to be filed, this matter was still unresolved and, therefore, the commenters agreed that it still was premature to decide this matter.

On December 15, 1999, in *North American Electric Reliability Council*, 89 FERC ¶ 61,277 (1999) (Next Hour Order), the Commission reviewed a NERC proposal presenting the industry's suggested method for treating next-hour transactions. The Commission conditionally accepted NERC's proposal for transmission providers to have the option (but not the obligation) of offering a new transmission service, Next Hour Market Service (NHM Service). Individual transmission providers may file revisions to their individual open access transmission tariffs that would authorize them to provide NHM Service, consistent with the Next Hour Order, and that would specifically describe the rates, terms, and conditions of the NHM Service to be offered; the filings may not merely incorporate the NERC proposal by reference.

Our findings in the Next Hour Order raise a number of issues not foreseen in the UBP NOPR. We believe it would still be useful to adopt definitions of the scheduling period for "same-day" and "next-hour" transactions as

⁴³ Open Access Same-Time Information System (OASIS) and Standards of Conduct, 84 FERC ¶ 61,324 (1998) (September 29, 1998 Order).

⁴⁴ Open Access Same-Time Information System (OASIS) and Standards of Conduct, 88 FERC ¶ 61,100 (1999) (July 28, 1999 Order).

recommended in Guides 2.6–2.6.2, but we need to consider: (1) What is the most appropriate location within the BPS for inclusion of such definitions; (2) whether the BPS should include a definition of NHM Service;⁴⁵ (3) whether we should revise Table 4–2 (Reservation Timing Requirements) and Table 4–3 (Priorities for Competing Reservation Requests) and related provisions to reflect the availability of NHM Service and its priority vis-a-vis other transmission services; (4) whether we should adopt proposed Guides 4.2 and 4.3 (concerning requests by telephone or facsimile); and (5) whether any other revisions to the BPS are needed in light of the Next Hour Order.

Before deciding these matters, it would be helpful to have these issues considered by the OASIS How Working Group and MIC. We request that the MIC/How Group report back to the Commission, within ninety (90) days of the date of publication of this order in the **Federal Register**, with their recommendations as to any necessary revisions or additions to the BPS to reflect the Commission's findings in the Next Hour Order.

3. Entity and Product Registration

a. Maintenance of Industry-Wide OASIS Home Page

In the UBP NOPR, we proposed to allow the use of an industry-wide OASIS Home Page at www.tsin.com. We stated therein that the operator of the Home Page may only act as an agent of the transmission providers. We also stated that allowing the use of an industry-wide OASIS Home Page does not undermine the responsibilities of individual transmission providers to make their OASIS sites accessible to users and potential users, and to operate their OASIS sites in compliance with all applicable Commission orders and regulations. We proposed that, as long as transmission providers pay only reasonable fees to the third party for operating and maintaining the industry-wide OASIS Home Page, they will be able to recover these fees in their transmission rates.⁴⁶

Comments

Florida Power Corp agrees with the UBP NOPR that the operator of the industry-wide OASIS Home Page should only act as an agent for the

⁴⁵ For example, we could add a provision defining NHM Service as follows: NEXT HOUR MARKET SERVICE is non-firm transmission service that is reserved for one clock hour and is requested within sixty (60) minutes before the start of the next clock hour for service commencing at the start of the clock hour.

⁴⁶ UBP NOPR at 33,619.

⁴⁰ UBP NOPR at 33,617–18.

⁴¹ UBP NOPR at 33,618.

⁴² *Id.*

transmission providers, and not as an independent entity.⁴⁷ PJM questions the need for an industry-wide OASIS Home Page for customer registration since each OASIS node must determine its own registration/access requirements.⁴⁸ PJM argues that transmission providers should be permitted to decide whether to post their own registration information, and service definitions, or to contract with the operator of www.tsin.com to do so. Cinergy supports the creation of an industry-wide OASIS Home Page, where potential OASIS users could centrally register for rights to use any individual OASIS site, but seeks clarification of whether registration on such a Home Page would be mandatory or voluntary.⁴⁹

Florida Power Corp proposes that the costs of the OASIS registration process be borne by transmission providers and recovered in open access transmission rates.⁵⁰ TEP argues that both customers and transmission providers should be assessed a fee for using the registration process because both would benefit from it. PJM argues that only OASIS users who purchase transmission service products should be required to register at the industry-wide site and that users who only want information from OASIS should be able to get it without charge. PJM claims that the www.tsin.com site is also used in the NERC tagging process and argues that it would be difficult to allocate the costs between OASIS activities and tagging.⁵¹

Discussion

We expect that a single industry-wide OASIS Home Page for registration that keeps track of OASIS users, transmission providers, and transmission providers' services, would have great benefits.⁵² However, we are still concerned that an entity not subject to the Commission's jurisdiction would be setting fees for the use of the industry-wide OASIS Home Page. Thus, we will require transmission providers to: (1) Use the industry-wide OASIS Home Page at www.tsin.com; and (2) ensure that the third-party operator of the industry-wide OASIS Home Page acts as an agent on behalf of affected

transmission providers.⁵³ In our view, such an arrangement would create a mechanism for transmission providers to recover the reasonable fees they paid for the operation and maintenance of the industry-wide OASIS Home Page, while keeping transmission providers responsible for ensuring that the industry-wide OASIS Home Page is properly operated.

b. Identification of Parties (Standard 3.1)

For electronic commerce to succeed, there must be unambiguous identification of the parties to a transaction. In the UBP NOPR, we proposed to adopt the following standard for identification of the parties:

Standard 3.1: All entities or persons using OASIS shall register the identity of their organization (including DUNS number) or person at the OASIS Home Page at www.tsin.com. Registration shall be completed prior to the commencement of Phase IA and renewed annually and whenever changes in identification occur and thereafter. An entity or person not complying with this requirement may be denied access by a provider to that provider's OASIS node.

Comments

Cinergy, TEP, and VEPCO largely support the Commission's proposal in the UBP NOPR.⁵⁴ However, Cinergy argues that DUNS numbers do not provide a sufficient link between the DUNS number of the reporting organization and its parent entity. Cinergy argues that such a link is needed for financial guarantee and credit purposes. To remedy this problem, Cinergy proposes that the registration process be revised to include the FERC-registered entity of the reporting organization and that OASIS registrants be required to update this information, whenever necessary to reflect changes in registrants' corporate structures.⁵⁵

Discussion

We agree with Cinergy that it is important that each OASIS registrant provide a link between the registering organization and its parent entity. In addition, Phase IA already has commenced and thus can no longer be used as the deadline for registration. We therefore will adopt a modified Standard 3.1, which provides as follows:

Standard 3.1: All entities or persons using OASIS shall register the identity of their organization (including DUNS number) or person at the OASIS Home Page at

www.tsin.com. Registration identification shall include the parent entity (if any) of the registrant. Registration shall be a prerequisite to OASIS usage and renewed annually and whenever changes in identification occur and thereafter. An entity or person not complying with this requirement may be denied access by a transmission provider to that transmission provider's OASIS node.

c. Registering Non-Standard Service Attributes (Standards 3.2–3.3)

In the UBP NOPR, the Commission explained that the OASIS Phase IA S&CP Document, approved in the September 29, 1998 Order, uses attributes to define services. However, the S&CP Document does not define the attributes.⁵⁶ While standard definitions are addressed in sections II.D.2–II.D.4 and II.D.6, above, the UBP NOPR also proposed Standard 3.2 and Guide 3.3, to deal with circumstances when standardized attributes and definitions are not appropriate. Standard 3.2 and Guide 3.3, as proposed in the UBP NOPR, provide as follows:

Standard 3.2: Providers of transmission and ancillary services shall use only attribute values and definitions that have been registered on the OASIS Home Page at www.tsin.com for all transmission and ancillary services offered on their OASIS.

Guide 3.3: Providers of transmission and ancillary services should endeavor to use on their OASIS nodes attribute values and definitions that have been posted by other Providers on the OASIS Home Page at www.tsin.com whenever possible.

In addition, in the UBP NOPR,⁵⁷ the Commission agreed with the June 19 Report that monitoring is needed to ensure that the non-standard attribute naming process is not abused, and invited comment on which group would be the proper group to perform this function.

Comments

Cinergy, PJM, Southern, and VEPCO filed comments on this issue. Cinergy⁵⁸ and Southern⁵⁹ suggest that the MIC, the successor to the Commercial Practices Working Group, is the best group to monitor the attribute registration process to ensure that the non-standard attribute naming process is not abused. PJM asserts that monitoring is not necessary; that parties can resolve their own disputes, and that, if these steps fail, parties may, as a last resort, file complaints with the Commission.⁶⁰ VEPCO supports the adoption of Standard 3.2 and Guide 3.3,

⁴⁷ While the *Industry Report on OASIS Phase IA Business Practices* did not identify the party operating the www.tsin.com industry-wide OASIS Home Page, we have subsequently learned that it is operated by NERC.

⁴⁸ Florida Power Corp Comments at 3, TEP Comments at 4.

⁴⁹ Cinergy Comments at 3.

⁵⁰ Florida Power Corp Comments at 3.

⁵¹ PJM Comments at 4–5.

⁵² Registration at the industry-wide OASIS Home Page would replace registration at individual OASIS sites.

⁵³ UBP NOPR at 33,618–19.

⁵⁴ Cinergy Comments at 3, TEP Comments at 4, VEPCO Comments at 3.

⁵⁵ Cinergy Comments 3–4.

⁵⁶ See June 19 Report at section 2.

⁵⁷ UBP NOPR at 33,620–21.

⁵⁸ Cinergy Comments at 4.

⁵⁹ Southern Comments at 3.

⁶⁰ PJM Comments at 4.

and recommends that any market participant be allowed to monitor the process for naming non-standard attributes and that complaints can be informally submitted to the MIC for resolution.⁶¹

Discussion

None of the commenters objected to the proposal in the UBP NOPR that Standard 3.2 and Guide 3.3 be included in the BPS. Thus, we will adopt Standard 3.2 as proposed in the UBP NOPR and, as discussed in section II.D.1, above, we will adopt proposed Guide 3.3 as Standard 3.3.

Furthermore, we find merit in the suggestion from Cinergy and Southern⁶² that the NERC-sponsored MIC is the appropriate group to monitor the non-standard attribute registration process. We also agree with VEPCO that any market participant may monitor the process. We believe, contrary to PJM's position, that there are sufficient differences in product attributes (*i.e.*, the names used to identify different products) in the marketplace to warrant a monitoring effort. Furthermore, the Commission is prepared to respond to any complaint that might arise as a result of an unresolved dispute.

d. Registering Points of Receipt and Delivery (Standards 3.4–3.6)

Based on the principle that transmission providers should be encouraged to apply consistent names for connecting paths or common paths, the UBP NOPR proposed the adoption of Standards 3.4 and 3.5 and Guide 3.6. In addition, we requested comments on what would be the appropriate entity to monitor this process and whether this function should be performed in tandem with the monitoring of registration of non-standard attributes. Standards 3.4 and 3.5 and Guide 3.6, as proposed in the UBP NOPR, provide as follows:

Standard 3.4: A Transmission Provider shall register and thereafter maintain on the OASIS Home Page at www.tsin.com all Points of Receipt and Delivery to and from which a Transmission Customer may reserve and schedule transmission service.

Standard 3.5: For each reservable Path posted on their OASIS nodes, Transmission Providers shall indicate the available Point(s) of Receipt and Delivery for that Path. These Points of Receipt and Delivery shall be from the list registered on the OASIS Home Page at www.tsin.com.

Guide 3.6: When two or more Transmission Providers share common Points of Receipt or Delivery, or when a Path

connects Points of Receipt and Delivery in neighboring systems, the Transmission Providers owning and/or operating those facilities should apply consistent names for those connecting paths or common paths on the OASIS.

Comments

Comments were filed by Cinergy, Florida Power Corp, and VEPCO. Cinergy suggests that the NERC-sponsored MIC is the best group to monitor the registration of points of receipt (PORs) and delivery (PODs).⁶³

Florida Power Corp supports a central point for all registration activities to streamline and bring more consistency to these activities. In addition, Florida Power Corp recommends that NERC would be the best group to monitor the registration of PORs and PODs.⁶⁴

VEPCO recommends that any market participant be allowed to monitor compliance with these standards and that complaints can be informally submitted to the MIC for resolution.⁶⁵ VEPCO further suggests that the registration process should allow a transmission provider to identify its neighbor's name for a common path as an alias to its own name for that path when they cannot agree on a single name.

Discussion

We will include Standards 3.4, 3.5, and 3.6⁶⁶ in the BPS we are adopting in this Final Rule for several reasons. First, given that there was no objection expressed by any commenters, we see no reason to depart from our proposal on this subject in the UBP NOPR. Second, we remain persuaded that a monitoring effort is appropriate to reduce confusion in the market. Nothing in the comments seeks to dissuade us from this view. Third, the Commission agrees with the comments from Cinergy (as supported in part by Florida Power Corp and VEPCO) that the MIC is the appropriate group to monitor the POR/POD registration process. In fact, no alternative group seems as well positioned to handle this responsibility. Finally, the Commission is prepared to deal with any complaint that might arise as a result of an unresolved dispute.

⁶³ Cinergy Comments at 4.

⁶⁴ Florida Power Corp Comments at 4.

⁶⁵ VEPCO Comments at 3.

⁶⁶ As discussed in section II.D.1, above, we are adopting as Standard 3.6 what was proposed as Guide 3.6 in the UBP NOPR.

4. On-Line Price Negotiation and Confirmation Process

a. On-line Price Negotiation in Short-term Markets (Standards 4.1–4.3)

In the UBP NOPR, the Commission proposed the adoption of Standard 4.1 (proposed as a Guide in the June 19 Report) because it restates existing Commission policy, as follows:

Standard 4.1: Consistent with FERC policy and regulations, all reservations and price negotiations should be conducted on OASIS.

The UBP NOPR did not propose the adoption of recommended Guides 4.2 and 4.3 from the June 19 Report,⁶⁷ because these guides are essentially the same as those proposed by the CPWG/How Group in a June 1998 letter requesting a four-month next-hour experiment.⁶⁸

Comments

Florida Power Corp and VEPCO agree with the proposal to adopt Standard 4.1.⁶⁹ VEPCO suggests that Standard 4.1 be reworded to state explicitly that reservations for network service are not conducted on the OASIS, as follows: “[c]onsistent with FERC policy and regulations, all Point-to-Point requests, associated ancillary service requests, and price negotiations for such requests, should be conducted on OASIS.”

Discussion

As proposed in the UBP NOPR, we adopt Standard 4.1 and not Guides 4.2 and 4.3. We reject VEPCO's suggestion that Standard 4.1 be reworded to state

⁶⁷ The June 19 Report recommended adoption of Guides 4.2 and 4.3 as follows:

Guide 4.2: The following is considered “on the OASIS” during Phase 1–A: For a transmission service of hourly duration, requested within the next-hour, a Customer should have the option, subject to the exception allowed by Guide 4.3, of entering a reservation and schedule request electronically on the Provider's OASIS and scheduling system (if such electronic transactions are allowed on the Provider's scheduling system), or arranging the reservation and schedule verbally with the Provider. If a transmission reservation is confirmed verbally, the Provider should have the option of requiring the Customer to enter the reservation on OASIS electronically within one hour after the start of the reservation.

Guide 4.3: If a Provider's OASIS and scheduling processes allow that a Customer's reservation and scheduling requests will be accepted or refused within 15 minutes of the queue time, then the Provider may require that reservations and schedules be entered electronically by the Customer prior to the established scheduling deadline. If in any case the Provider has not responded to the reservation and schedule request within 15 minutes, the Customer has the option of calling the Provider to verbally confirm the reservation and schedule.

⁶⁸ See discussion in section II.D.2.f above and letter dated October 19, 1999 from NERC in Docket No. ER00–157–000.

⁶⁹ Florida Power Corp Comments at 5, VEPCO Comments at 3–4.

⁶¹ VEPCO Comments at 3.

⁶² While VEPCO did not specifically propose that monitoring functions be assigned to the MIC, it did suggest that informal complaints be submitted to that group for resolution.

that only Point-to-Point service is reserved on the OASIS. The purpose of Standard 4.1 is not to specify what types of transmission transactions are to be conducted on the OASIS, but to clarify that, consistent with FERC policy and regulations, reservations and price negotiations, and not just final transactions, are to be conducted on the OASIS.⁷⁰ Moreover, the Commission's Next Hour Order⁷¹ makes Guides 4.2 and 4.3 moot for those transmission

⁷⁰ Our previous decisions defining what constitutes an on-the-OASIS transaction during OASIS Phase IA still stand.

⁷¹ This order is further discussed in section II.D.2.f above.

providers who file revisions to their individual open access transmission tariffs authorizing them to provide NHM Service. In section II.D.2.f, above, we requested that the MIC/How Group report back to us on various issues related to NHM Service. These issues include the question of whether they still recommend that we adopt proposed Guides 4.2 and 4.3.

b. Diagram Depicting the Negotiation Process (Standards 4.4–4.5)

In the UBP NOPR, we noted that the Process State Diagram proposed in Guide 4.4 (Figure 4–1) is the same as the Diagram of Purchase Transactions (State Diagram) contained in Exhibit 4–1 of

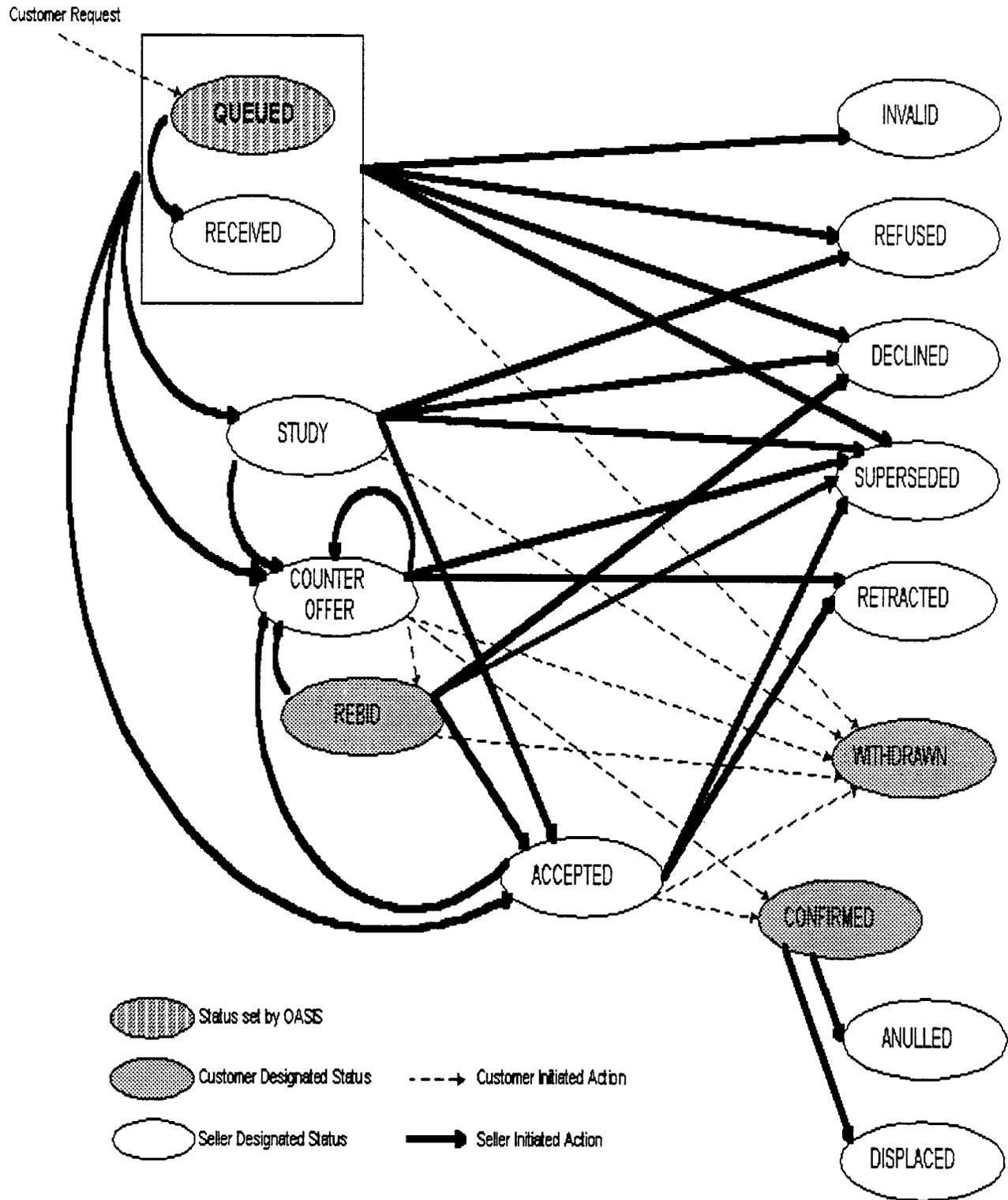
Version 1.3 of the S&CP Document. To avoid possible future conflict between the BPS and the S&CP Document, we proposed to incorporate by reference Exhibit 4–1 into the BPS.⁷² Guide 4.4, as proposed in the UBP NOPR, provides as follows:

Guide 4.4: The state diagram appearing in Exhibit 4–1 in Section 4.2.10.2 of the Version 1.3 of the S&CP Document constitutes a recommended business practice in OASIS Phase IA.

Exhibit 4–1 of section 4.2.10.2 of the S&CP Document is as follows:

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⁷² UBP NOPR at 33,626.



Similarly, we also noted in the UBP NOPR that the table of definitions of the process states in Guide 4.5 (Table 4-1) is similar to the definitions of the same terms appearing at section 4.2.10.2 (status values) of the S&CP Document. To avoid possible future conflict between the BPS and the S&CP Document we proposed to incorporate by reference the definitions in section 4.2.10.2 of the S&CP Document into the BPS. Guide 4.5, as proposed in the UBP NOPR, provides as follows:

Guide 4.5: The definitions in Section 4.2.10.2 of the Version 1.3 of the S&CP Document (status values) should be applied to the process states in OASIS Phase IA.

In the UBP NOPR, we also proposed to improve the definition of "SUPERSEDED" appearing in section 4.2.10.2 and in the Data Element Dictionary of the S&CP Document by substituting the word "preempted" for "displaced." The section 4.2.10.2 definitions (status values), as proposed in the UBP NOPR, are as follows:

The possible STATUS values are:

QUEUED = initial status assigned by TSIP on receipt of "customer services purchase request."

INVALID = assigned by TSIP or Provider indicating an invalid field in the request, such as improper POR, POD, source, sink, etc. (Final state).

RECEIVED = assigned by Provider or Seller to acknowledge QUEUED requests and indicate the service request is being evaluated, including for completing the required ancillary services.

STUDY = assigned by Provider or Seller to indicate some level of study is required or being performed to evaluate service request.

REFUSED = assigned by Provider or Seller to indicate service request has been denied due to lack of availability of transmission capability. SELLER COMMENTS should be used to communicate details for denial of service. (Final state).

COUNTEROFFER = assigned by Provider or Seller to indicate that a new OFFER PRICE is being proposed.

REBID = assigned by Customer to indicate that a new BID PRICE is being proposed.

SUPERSEDED = assigned by Provider or Seller when a request which has not yet been confirmed is preempted by another reservation request. (Final state).

ACCEPTED = assigned by Provider or Seller to indicate the service request at the designated OFFER PRICE has been approved/accepted. If the reservation request was submitted PRECONFIRMED, the OASIS Node shall immediately set the reservation status to CONFIRMED. Depending upon the type of ancillary services required, the Seller may or may not require all ancillary service reservations to be completed before accepting a request.

DECLINED = assigned by Provider or Seller to indicate that the BID PRICE is

unacceptable and that negotiations are terminated. SELLER COMMENTS should be used to communicate reason for denial of service. (Final state).

CONFIRMED = assigned by Customer in response to Provider or Seller posting "ACCEPTED" status, to confirm service.

Once a request has been "CONFIRMED," a transmission service reservation exists. (Final state, unless overridden by DISPLACED or ANNULLED state).

WITHDRAWN = assigned by Customer at any point in request evaluation to withdraw the request from any further action. (Final state).

DISPLACED = assigned by Provider or Seller when a "CONFIRMED" reservation from a Customer is displaced by a longer term reservation and the Customer has exercised right of first refusal (*i.e.*, refused to match terms of new request). (Final state).⁷³

ANNULLED = assigned by Provider or Seller when, by mutual agreement with the Customer, a confirmed reservation is to be voided. (Final state).

RETRACTED = assigned by Provider or Seller when the Customer fails to confirm or withdraw the request within the required time period. (Final state).

In addition, the definition of the term "REBID" appearing in section 4.2.10.2 and in the Data Element Dictionary of the S&CP Document refers to price only. In the UBP NOPR,⁷⁴ we requested comment on whether the use of REBID should be limited to price, or whether it would be feasible and/or desirable to allow REBID to lengthen the duration of the period of the requested service.

Comments

VEPCO supports the proposal in the UBP NOPR to incorporate by reference the State Diagram appearing in Exhibit 4-1 in section 4.2.10.2 and the definitions in section 4.2.10.2 of the S&CP Document, as Guides 4.4 and 4.5, respectively, of the BPS.⁷⁵ Cinergy and VEPCO support the proposal in the UBP NOPR to improve the definition of "SUPERSEDED" by replacing the word "displaced" with "preempted."⁷⁶

VEPCO sees an apparent conflict between the definition of REBID, which states that it is "assigned by Customer to indicate that a new BID PRICE is being proposed," and the State Diagram, which does not permit a customer-initiated change of status from ACCEPTED to REBID.⁷⁷

In response to the UBP NOPR's request for comments on whether customers should be able to rebid

⁷³ As discussed in section II.D.7, below, we are revising this proposed definition to: (1) Insert the word "not" before "exercised;" and (2) to insert the words "if any" after "refusal."

⁷⁴ UBP NOPR at 33,625 n.71.

⁷⁵ VEPCO Comments at 4.

⁷⁶ Cinergy Comments at 9, VEPCO Comments at 4.

⁷⁷ VEPCO Comments at 4.

duration as well as price, Duke and VEPCO argue that the REBID should be limited to price only. Duke argues that allowing customers to REBID duration could cause confusion and lead to gaming of the first-come-first-served process.⁷⁸ Duke explains that permitting customers to rebid duration could result in delays if the transmission provider is forced to perform a study to determine if capacity is available for the expanded period. VEPCO argues that it is not evident that there is a need for this type of negotiation and that it would be very expensive to convert back-office systems to allow the expanded definition of REBID.

Cinergy supports rebidding of both duration and price.⁷⁹ However, it argues that there is a conflict between the guides and the S&CP Document regarding REBID of duration. Cinergy cites Row 7 of Table 4-3 (Guide 4.16) as permitting rebidding of duration by providing that a subsequent request for non-firm point-to-point of a longer duration entitles an earlier non-firm point-to-point request to a right-of-first-refusal. Cinergy also cites the S&CP Document, at section 4.2.10.2, as not permitting rebidding of duration because REBID is defined solely in terms of price. Cinergy argues that this is inconsistent and asks that we issue a clarification reconciling the two provisions.

Cinergy also argues that Guide 4.5 needs more work before it can be made a standard.⁸⁰

Discussion

As we proposed in the UBP NOPR, we will: (1) Incorporate by reference Exhibit 4-1 (State Diagram) and the Status Values of section 4.2.10.2 of the S&CP Document into the BPS; (2) revise the definition of "SUPERSEDED" by replacing the word "displaced" with "preempted" in section 4.2.10.2 and in the Data Element Dictionary of the S&CP Document; and (3) revise the definition of "REFUSED" to insert the words "lack of" before "availability," as discussed later in this section.⁸¹

Regarding VEPCO's request for clarification of whether a customer can initiate a change of status from ACCEPTED to REBID, we agree with VEPCO that the State Diagram does not permit a customer to change ACCEPTED to REBID. We disagree, however, with VEPCO's interpretation of the definition

⁷⁸ Duke Comments at 5, VEPCO Comments at 5.

⁷⁹ Cinergy Comments at 5.

⁸⁰ Cinergy Comments at 5-9.

⁸¹ In addition, in section II.D.7, below, we will order an additional revision to these definitions.

of REBID. While this definition allows a customer to initiate a new BID PRICE, it does not state that this may be done after an offer is accepted. Thus, we do not see the definitions as being in conflict with the State Diagram, and VEPCO has not convinced us of the need to revise the referenced definitions.

With regard to the issue of whether REBID should be used to rebid both duration and price, we need to draw a distinction between REBID during the negotiation process and exercising the right-of-first-refusal. A REBID differs from exercising the right-of-first-refusal that occurs after a reservation request has been accepted by the transmission provider. The State Diagram provides that the right-of-first-refusal be carried out through COUNTEROFFER and REBID and thus introduces the confusion cited by Cinergy. Cinergy finds troublesome the conflict between Row 7 of Guide 4.16 (Table 4-3) (permitting rebidding of duration when exercising the right-of-first-refusal) and the definition of REBID in section 4.2.10.2 of the S&CP Document (that only allows the rebidding of price). VEPCO proposes, in its comments on section 4.19, to add a "pre-empted with right-of-first-refusal" status to the State Diagram in the S&CP Document. We agree that this would make a clear distinction between rebidding during negotiation and the right-of-first-refusal.

We request that, within ninety (90) days of the date of publication of this Final Rule in the **Federal Register**, the MIC/How Group submit its recommendations on any necessary changes to the State Diagram and definitions in the S&CP Document to accommodate: (1) A transmission provider notifying a customer of its right-of-first-refusal; and (2) a customer making use of its right-of-first-refusal.

For the reasons discussed in section II.D.1, above, we will deny Cinergy's request that Guide 4.5 remain voluntary. As proposed in the UBP NOPR, we are revising Guide 4.4 to incorporate by reference Exhibit 4-1 (State Diagram) of the S&CP Document and are revising Guide 4.5 to incorporate by reference the definitions contained in section 4.2.10.2 of the S&CP Document. In addition, as discussed in section II.D.1, above, we will adopt Guides 4.4 and 4.5 as Standards 4.4 and 4.5.

In addition, the definition of DISPLACED in section 4.2.10.2 of the S&CP Document erroneously states that it would apply to a customer who has exercised its right-of-first-refusal, when it actually is supposed to apply to a customer who does not exercise this right. We will take this opportunity to

correct this error in both the Data Element Dictionary and in section 4.2.10.2 of the S&CP Document.

c. Negotiations Without Competing Bids (Standards 4.6-4.13)

In *Commonwealth Edison Company*, 80 FERC ¶ 61,167 at 61,719 (1997), we stated that we were "reluctant to specify confirmation time limits without first soliciting the views of representative industry segments." We also noted that we had asked the industry to address this issue in its Phase II Report.⁸² After receipt of the Phase II Report, and consistent with *Commonwealth Edison*, we requested that the CPWG examine the development of predetermined deadlines for acceptances by transmission providers of transmission service requests and confirmations by customers of their requests.⁸³ We did this because we received comments that convinced us that the parties to negotiations require decisions to be made quickly and in a known time frame. The CPWG/How Group responded to our request by proposing Guides 4.6 and 4.13.⁸⁴

In the UBP NOPR,⁸⁵ we proposed to clarify the definition of "REFUSED" in the Data Element Dictionary and in section 4.2.10.2 of the S&CP Document (and which is referred to in Guide 4.6) by inserting the words "lack of" before the word "availability."

Standard 4.6—Reservation Timing Requirements

Guide 4.6 and 4.13 are inextricably connected. We will discuss Guide 4.6, and the comments relating thereto, as part of our discussion of Guide 4.13.

Standard 4.7—Evaluating ATC Prior to Acceptance, Counteroffer, or Refusal

Guide 4.7, as proposed in the UBP NOPR, provides that a Transmission Provider shall determine whether the requested transmission capacity is available before changing the status of a request to ACCEPTED, COUNTEROFFER, or REFUSED. The exact language of Guide 4.7, as proposed in the UBP NOPR, is as follows:

Guide 4.7: Prior to setting a request to ACCEPTED, COUNTEROFFER, or REFUSED a Provider shall evaluate the appropriate resources and ascertain that the requested transfer capability is (or is not) available.

⁸² See also *Wisconsin Electric Power Company*, 80 FERC ¶ 61,299 at 62,049 (1997). The industry's Phase II Report was filed with the Commission on November 3, 1997.

⁸³ See *Open Access Same-Time Information System and Standards of Conduct, Order on OASIS Related-Issues*, 83 FERC ¶ 61,301 (1998).

⁸⁴ UBP NOPR at 33,627.

⁸⁵ UBP NOPR at 33,629 n.88.

Comments

VEPCO argues that it would be irresponsible for a transmission provider to change the status of a request to ACCEPTED, COUNTEROFFER, or REFUSED unless the available transfer capability (ATC) has been verified. VEPCO suggests that this guide be made a standard.

Discussion

We agree with VEPCO that ATC must be evaluated before a request is accepted, counteroffered, or refused. Thus, as proposed in the UBP NOPR, we will adopt Guide 4.7. Moreover, as discussed in section II.D.1, above, we will adopt this proposed guide as a standard (Standard 4.7).

Standard 4.8—Invalid or Refused Requests

Guide 4.8 provides that when a request is set to the REFUSED or INVALID states the Transmission Provider should indicate the reason the request was refused or found invalid in the COMMENTS field. The exact language of Guide 4.8, as proposed in the UBP NOPR, is as follows:

Guide 4.8: For any request that is REFUSED or INVALID, the Transmission Provider should indicate in the COMMENTS field the reason the request was refused or invalid.

Comments

VEPCO requests clarification that the COMMENTS field referred to in Guide 4.8 is the STATUS COMMENT field. With this clarification, VEPCO requests that this guide be made a standard.⁸⁶

Discussion

VEPCO is correct that the COMMENTS field referred to in Guide 4.8 is the STATUS COMMENT field of the TRANSSTATUS template of the S&CP Document.⁸⁷ We will revise Guide

⁸⁶ VEPCO Comments at 6.

⁸⁷ Although, in this instance, we are adopting VEPCO's suggested clarification, in the future, we encourage VEPCO and other commenters seeking revisions to the BPS to bring their suggestions for editorial and purely technical comments directly to the applicable industry working group before raising these matters with the Commission in comments to a NOPR. We reach this conclusion for three reasons. First, we believe that it is more productive for commenters to participate directly in the industry-led efforts to reach consensus on these issues, rather than to stand silent on the sidelines and propose last-minute changes not subject to peer review and debate. Second, direct participation in industry working groups would give the Commission greater confidence that the proposals would not have any unintended adverse consequences, or hidden ramifications. Third, to the extent that these proposals offer non-controversial technical and editorial revisions, it should not be burdensome for parties to raise them before the applicable industry-led working group in

4.8 to clarify this point. In addition, as discussed in section II.D.1, above, we will make this guide a standard. Further, consistent with our decision to adopt this provision as a standard, we will substitute the word “must” for the word “should,” which suggests that compliance is not mandatory. With these changes, we will adopt Standard 4.8, as follows:

Standard 4.8: For any request that is REFUSED or INVALID, the Transmission Provider must indicate in the STATUS COMMENT field of the TRANSTATUS template the reason the request was refused or invalid.

Standard 4.9—Withdrawn Requests

Guide 4.9, as proposed in the UBP NOPR, would permit a customer to withdraw a request at any time before it is confirmed:

Guide 4.9: The Customer may change a request to WITHDRAWN at any time prior to it being CONFIRMED.

Comments

VEPCO argues that, while Guide 4.9 is correct, it could be made clearer by specifying the status values included. Accordingly, VEPCO proposes the following revision: “The Customer may change a request from QUEUED, RECEIVED, STUDY, COUNTEROFFER, REBID, or ACCEPTED to WITHDRAWN at any time prior to CONFIRMED.” VEPCO also suggests that this guide be made a standard.⁸⁸

Discussion

We agree with VEPCO that it would be beneficial to define explicitly the circumstances when a customer could withdraw a request prior to confirmation. Thus, we will make the requested change so that a customer’s choices for states that can be changed to WITHDRAWN, prior to confirmation, are specifically enumerated. Also, as discussed in section II.D.1, above, we will adopt this guide as a standard. With these changes, we will adopt Standard 4.9, as follows:

Standard 4.9: The Customer may change a request from QUEUED, RECEIVED, STUDY, COUNTEROFFER, REBID, or ACCEPTED to WITHDRAWN at any time prior to CONFIRMED.

Standard 4.10—Changing Accepted or Counteroffer Status

Guide 4.10, as proposed in the UBP NOPR, permits a customer to change the state of his request from ACCEPTED or

the first instance. As always, however, minority views expressed before industry working groups can be reasserted in comments to the Commission, without prejudice.

⁸⁸ VEPCO Comments at 6.

COUNTEROFFER to CONFIRMED, WITHDRAWN, or REBID. Guide 4.10 specifies that the time limit to confirm an accepted request is governed by Table 4–2, and that the time is measured from the first time the request is ACCEPTED or COUNTEROFFERED. The exact language of Guide 4.10, as proposed in the UBP NOPR, is as follows:

Guide 4.10: From ACCEPTED or COUNTEROFFER, a Customer may change the status to CONFIRMED, WITHDRAWN, or REBID. The Customer has the amount of time designated as “Customer Confirmation Time Limit” in Table 4–2 “Reservation Timing Requirements” to change the state of the request to CONFIRMED. The Customer time limit is measured from the first time the request is moved to ACCEPTED or COUNTEROFFER, and is not reset with subsequent iterations of negotiation.

Comments

VEPCO argues that proposed Guide 4.10, which allows a customer to change the status of a request from ACCEPTED to REBID, is inconsistent with the S&CP Document and proposes that the guide be modified so as not to permit this change of status. With this modification, VEPCO would make Guide 4.10 a standard.

Discussion

We agree with VEPCO that the State Diagram in the S&CP Document does not permit a customer to change a request from the ACCEPTED state to REBID. We will revise proposed Guide 4.10 to remove any confusion on this point. In addition, as discussed in section II.D.1, above, we will make this guide a standard. With these changes, we will adopt Standard 4.10 as follows:

Standard 4.10: From ACCEPTED or COUNTEROFFER, a Customer may change the status to CONFIRMED or WITHDRAWN. In addition, a Customer may change the status from COUNTEROFFER to REBID. The Customer has the amount of time designated as “Customer Confirmation Time Limit” in Table 4–2 “Reservation Timing Requirements” to change the state of the request to CONFIRMED. The Customer time limit is measured from the first time the request is moved to ACCEPTED or COUNTEROFFER, and is not reset with subsequent iterations of negotiation.

Standard 4.11—Moving Request to Retracted State

Guide 4.11, as proposed in the UBP NOPR, provides that a transmission provider may change the state of a request to RETRACTED after the expiration of a customer’s confirmation time limit. The exact language of this proposed guide is as follows:

Guide 4.11: After expiration of the “Customer Confirmation Time Limit,”

specified in Table 4–2 “Reservation Timing Requirements”, the Provider has a right to move the request to the RETRACTED state.

Comments

VEPCO filed the only comment on this issue. VEPCO recommends that this guide be made a standard.

Discussion

Given the absence of any opposing comments, we will adopt this provision, as proposed in the UBP NOPR. As discussed in section II.D.1, above, we will adopt this guide as a standard (Standard 4.11).

Standard 4.12—Responses to Counteroffers

Guide 4.12, as proposed in the UBP NOPR, permits a transmission provider to change the state of a customer’s request from REBID to DECLINED, ACCEPTED, or COUNTEROFFER. The guide specifies that the time limit to make the change is governed by Table 4–2, and that the response time is measured from the customer’s most recent REBID. The exact language of this proposed guide is as follows:

Guide 4.12: Should the Customer elect to respond to a Provider’s COUNTEROFFER by moving a reservation request to REBID, the Provider shall respond by taking the request to a DECLINED, ACCEPTED, or COUNTEROFFER state within the “Provider Counter Time Limit,” specified in Table 4–2 “Reservation Timing Requirements”. The Provider response time is measured from the most recent REBID time.

Comments

VEPCO, the sole commenter addressing this issue, recommends that we adopt Guide 4.12 as a standard, provided that we also adopt its recommended revisions to Guide 4.13.

Discussion

Given the absence of any opposing comments, we will adopt this provision, as proposed in the UBP NOPR. As discussed in section II.D.1, above, we will adopt this guide as a standard (Standard 4.12).⁸⁹

Standards 4.6 and 4.13—Reservation Timing Requirements

Guide 4.6 provides that, consistent with filed tariffs, transmission providers/sellers shall respond to customer requests within the time limits appearing in Table 4–2, which is contained in proposed Guide 4.13.

⁸⁹ In the next section, among other matters, we address VEPCO’s request for modifications to proposed Guide 4.13. In our view, VEPCO’s suggested revisions to proposed Guide 4.13 offer no reason not to adopt proposed guide 4.12 as a standard.

Proposed Table 4–2 specifies how long transmission providers may take to respond to a request for service and how long customers may take to confirm the transmission provider’s acceptance. Guide 4.6, as proposed in the UBP NOPR, provides as follows:

Guide 4.6: A Transmission Provider/Seller shall respond to a Customer’s service request, consistent with filed tariffs, within the “Provider Response Time Limit” defined in Table 4–2 “Reservation Timing

Requirements.” The time limit is measured from the time the request is QUEUED. A Provider may respond by setting the state of the reservation request to one of the following:

- INVALID
- DECLINED
- REFUSED
- COUNTEROFFER
- ACCEPTED
- STUDY (when the tariff allows), leading to REFUSED, COUNTEROFFER, or ACCEPTED⁹⁰

For each class of service, Guide 4.13, as proposed in the UBP NOPR, specifies the allowed time limit for: (1) A transmission provider to respond to a reservation request; (2) a customer to confirm the request; and (3) a transmission provider to respond to a customer’s rebid. The exact language of this proposed guide is as follows:

Guide 4.13: The following timing requirements should apply to all reservation requests:

TABLE 4–2.—RESERVATION TIMING GUIDELINES

Class	Service increment	Time QUEUED prior to start	Provider evaluation time limit ¹	Customer confirmation time limit after ACCEPTED or COUNTEROFFER ²	Provider counter time limit after REBID ³
Non-Firm	Hourly	<1 hour	Best effort	5 minutes	5 minutes.
Non-Firm	Hourly	>1 hour	30 minutes	5 minutes	5 minutes.
Non-Firm	Daily	N/A	30 minutes	2 hours	10 minutes.
Non-Firm	Weekly	N/A	4 hours	24 hours	4 hours.
Non-Firm	Monthly	N/A	2 days	24 hours	4 hours.
Firm	Daily	<24 hours	Best effort	2 hours	30 minutes.
Firm	Daily	N/A	30 days ⁴	24 hours	4 hours.
Firm	Weekly	N/A	30 days ⁴	48 hours	4 hours.
Firm	Monthly	N/A	30 days ⁴	4 days	4 hours.
Firm	Yearly	N/A	30 days	15 days	4 hours.

Notes for Table 4–2:

1. Consistent with regulations and filed tariffs, measurement starts at the time the request is QUEUED.
2. Measurement starts at the time the request is first moved to either ACCEPTED or COUNTEROFFER. The time limit does not reset on subsequent changes of state.
3. Measurement starts at the time the Transmission Customer changes the state to REBID. The measurement resets each time the request is changed to REBID.
4. Subject to expedited time requirements of Section 17.1 of the *pro forma* tariff. Transmission Providers should make best efforts to respond within 72 hours, or prior to the scheduling deadline, whichever is earlier, to a request for Daily Firm Service received during period 2–30 days ahead of the service start time.

Comments

The commenters on Table 4–2 (Guide 4.13) raise a number of issues. For clarity, we will address these issues separately.

1. Time Limits for Requests for Next-Day Non-Firm Hourly Transmission Service

MIC requests that we add a new line to Table 4–2 for non-firm hourly service requested the day before the reservation is to start. It proposes a 30 minute customer confirmation time and a 10 minute transmission provider counter time. MIC asserts that when a service request is made well in advance of the start time, customers can be given more time to confirm and transmission providers can be given more time to respond to a REBID. Cinergy agrees with the MIC’s proposal.

Discussion

We agree with the MIC that for non-firm hourly service, when the service is requested on the day previous to the start of the service, the customer

confirmation time limit and provider time limit to counter a REBID should be increased. We will make the requested change to Table 4–2, adding new time limits for day-before requests for non-firm hourly service (with 30 minutes for customer confirmations and 10 minutes for provider counteroffers).

2. Calendar Days v. Business Days

Duke argues that the time limits in Table 4–2 that are specified in terms of days could be interpreted as either business days or calendar days. Duke claims that the distinction is important when customers try to arrange for transmission across multiple transmission providers and recommends that calendar days be used.⁹¹

Discussion

We agree with Duke that the term “days” in Table 4–2 needs to be more clearly defined. If transmission providers are free to define the time limits as either calendar days or business days, customers will have a difficult time arranging for transmission

across multiple transmission systems. As Duke suggested, we will add a footnote to Table 4–2 defining “days” as “calendar days.”

3. Other Suggestions for Revised Time Limits

AEP asserts that the confirmation periods in Table 4–2 may be too long under certain circumstances. For example, in cases in which transmission providers have numerous competing transactions to sort out and customers have the right-of-first-refusal, then the confirmation time for weekly firm service should be shorter than the proposed 48 hours. AEP requests that transmission providers be allowed to require shorter confirmation periods when these problems occur.⁹²

BPA opposes adopting the proposed reservation timing guidelines and instead proposes setting reservation timing deadlines based on the timing of the request in relation to the initial delivery day.⁹³ BPA asserts that the proposed guidelines, which are based on duration of service, will permit customers to strategically request

⁹⁰ UBP NOPR at 33,627.

⁹¹ Duke Comments at 6.

⁹² AEP Comments at 5.

⁹³ BPA Comments at 3–4.

transmission service and allow the confirmation window to expire in order to gain an advantage. Thus, if a customer requests service close to the time of power flow and does not confirm the deal, it leaves its competitors without the ability to reserve firm service.

In the alternative, BPA argues that, if we do not adopt its suggested revisions to Table 4–2, we should allow

any unconfirmed firm transmission request in the queue to be displaced by either (1) a preconfirmed firm transmission request of equal or greater duration, or (2) a request which is lower in the queue but which is confirmed before the unconfirmed request.⁹⁴

Consumers argues that the confirmation timing limits in Table 4–2 need to be revised.⁹⁵ Consumers argues that a marketer trying to put a deal together would be squeezed whenever multiple transmission providers are involved and one transmission provider replies immediately and another transmission provider takes a long time to evaluate a request. It asserts that, in these instances, the confirmation response time for the first reservation request could expire before the second transmission provider responds to the evaluation request. Consumers asks that this business problem be resolved.

Duke recommends that the customer confirmation time limit for non-firm hourly requests, submitted when service is to commence less than one hour from the time of the request, be extended from 5 minutes to 15 minutes. Duke asserts that the 5 minute time limit is too restrictive on customers when the next hour market is very active.⁹⁶ Duke also recommends that the confirmation time limit for non-firm hourly requests, submitted when service is to commence more than one hour from the time of the request, be extended from 5 minutes to 30 minutes.⁹⁷

VEPCO recommends changing the customer confirmation time for non-firm hourly service from 5 minutes to one hour and changing the transmission provider counter time limit for non-firm hourly service from 5 minutes to 15 minutes.⁹⁸ VEPCO argues that the customer confirmation time must be

significantly longer than the transmission provider counter time since the customer's confirmation time never resets and the transmission provider's counter time resets every time the request status is set to REBID. VEPCO argues that if the customer and transmission provider time limits are the same, then negotiations on OASIS will not be practical, since the confirmation time could expire before the transmission provider is required to respond to the first REBID. VEPCO claims that a negotiation process takes time and is impractical when a request is made within four hours of the start of service.

Discussion

The Reservation Timing Requirements in Table 4–2, as proposed in the UBP NOPR, represent a balancing of the needs of all parties to OASIS transactions to have sufficient time to consider and respond to circumstances presented. All OASIS transaction participants are being asked to make responses on a fairly expedited basis, so that time remains for other market participants to make similar judgments. As to the various proposals to revise these reservation timing requirements, while we are not persuaded to adopt any of these proposals at this time, we are willing to reexamine this issue if problems arise in transacting business over the OASIS using the reservation timing requirements adopted in this final rule.

4. Table 4–2, Scheduling Deadlines, and Preemption Deadlines

VEPCO argues that the Customer Confirmation Time Limits in Table 4–2 should not be interpreted as extending a scheduling deadline or overriding a preemption deadline, and that a note clarifying this be added to Table 4–2.⁹⁹ Likewise, Allegheny Power agrees with the need for predetermined reservation time deadlines for OASIS transactions, but seeks clarification that customer confirmation time limits do not provide for an extension of any reservation or scheduling deadlines contained in a transmission provider's Open Access Tariff.¹⁰⁰

Discussion

We agree with Allegheny Power and VEPCO that the Customer Confirmation Time Limits in Table 4–2 should not be interpreted as extending a scheduling deadline or overriding a preemption deadline. Accordingly, we will add an

explanatory note to Table 4–2 that makes this clear.

5. Time Limits for Requests for Yearly Service

VEPCO argues that the "Time QUEUED Prior to Start" in Table 4–2 for yearly firm service should be changed from "N/A" to "greater than or equal to 60 days" in order to make it consistent with section 17.1 of the *pro forma* tariff.

Discussion

VEPCO is correct that the *pro forma* tariff states that requests for firm point-to-point service for periods of one year or longer must be made at least 60 days in advance of the calendar month in which the service is to commence. However, the tariff also states that requests made less than 60 days in advance should be considered where feasible. We will therefore revise "Time QUEUED Prior to Start" in Table 4–2 for yearly firm service, from "N/A" to "greater than or equal to 60 days" and add the following footnote:

Subject to Section 17.1 of the *pro forma* tariff, whenever feasible and on a non-discriminatory basis, transmission providers should accommodate requests made with less than 60 days notice.

6. Requests Superseded Before Confirmation

VEPCO recommends that note 2 to Table 4–2 be modified to explain that "for competitive nonfirm requests for a limited resource, a request could be [SUPERSEDED] prior to customer confirmation thereby terminating the Confirmation Time Limit."¹⁰¹

Discussion

We do not see the need for the footnote suggested by VEPCO. The State Diagram permits a reservation request to be superseded before it is confirmed. The definition of SUPERSEDED in section 4.2.10.2 of the S&CP Document indicates that SUPERSEDED is a final state. As such, the change of status to SUPERSEDED terminates the confirmation rights of the requester.

7. Adoption as Mandatory Standard

Cinergy argues that there is a need for further study of the timing requirements and related guides before the Commission defines the transactional process in standards.¹⁰² By contrast, ECI proposes that this guide be made a standard. It argues that if every transmission provider is permitted to have different timing requirements and priorities for requests that the resulting

⁹⁴ BPA Comments at 5.

⁹⁵ Consumers Comments at 2.

⁹⁶ Duke Comments at 6.

⁹⁷ NERC Comments at 7. See also Cinergy Comments at 10, Duke Comments at 6.

⁹⁸ VEPCO also recommends that, if the Commission changes the non-firm hourly transmission provider counter time limit to 15 minutes, it also should change the transmission provider counter time limit for non-firm daily transmission from 10 minutes to 15 minutes, in order to keep non-firm daily limit at least as long as the non-firm hourly time limit.

⁹⁹ VEPCO Comments at 12.

¹⁰⁰ Allegheny Power Comments at 3.

¹⁰¹ VEPCO Comments at 8.

¹⁰² Cinergy Comments at 9–10.

discrepancies in the rules would make it very difficult for market participants to move power across different transmission systems.¹⁰³ We have carefully considered the opposing views on this issue and conclude that Guides 4.6 and 4.13 should be adopted as standards. In our June 18 Order, we recognized the need for parties to negotiations to be able to make decisions quickly and in a known time frame and we requested that the CPWG/How Group examine the development of predetermined deadlines for acceptances by transmission providers of transmission service requests and confirmation by customers of acceptances of their requests. The time limits proposed in the UBP NOPR, based on the recommendations of the CPWG/How Group in the June 19 Report, accomplish this. Notwithstanding arguments to the contrary, we remain convinced that the need for uniform time limits outweighs arguments that these decisions be left to the discretion of individual transmission providers. We remain persuaded that allowing individual transmission providers to set their own time limits for themselves and their customers would inhibit the movement of power. We will, therefore, adopt Guides 4.6 and 4.13¹⁰⁴ as Standards 4.6 and 4.13, with the revisions discussed above.

d. Negotiations with Competing Bids for Constrained Resources (When Customer Has Not Yet Confirmed a Transmission Provider's Acceptance) (Standards 4.14—4.27)

Standard 4.14—Service Request Priority Tiers

As we stated in the UBP NOPR, Guide 4.14 divides transmission service into five tiers of successive priority when competing bids are negotiating for transmission service.¹⁰⁵ Highest priority is given to native load, network, or long-term firm service (subsection 4.4.1). Second highest priority is given to short-term firm service (subsection 4.4.2). Third highest priority is given to network service from non-designated resources (subsection 4.4.3). Fourth highest priority is given to non-firm service (subsection 4.4.4). Fifth highest priority is given to non-firm point-to-point service over secondary receipt and delivery points (subsection 4.4.5).¹⁰⁶

¹⁰³ ECI Comments at 2.

¹⁰⁴ Guide 4.6 is further discussed earlier in this section.

¹⁰⁵ These priorities are not meant to govern curtailments.

¹⁰⁶ UBP NOPR at 33,632–33.

The exact language of this proposed guide is as follows:

Guide 4.14: Consistent with regulations and filed tariffs, the following are recommended relative priorities of Service Request Tiers.* Specific exceptions may exist in accordance with filed tariffs. The priorities refer only to negotiation of service and do not refer to curtailment priority.

4.4.1. Service Request Tier 1: Native load, Network, or Long-term Firm

4.4.2. Service Request Tier 2: Short-term Firm

4.4.3. Service Request Tier 3: Network on Non-designated Resources

4.4.4. Service Request Tier 4: Non-firm

4.4.5. Service Request Tier 5: Service over secondary receipt and delivery points

Note: The term "Tier" is introduced to avoid confusion with existing terms such as "TS—CLASS." [107]

Comments

The only comment received concerning Guide 4.14 was from VEPCO who agrees with our proposal to adopt this guide.¹⁰⁸

Discussion

Given the absence of any opposing comments, we will adopt these provisions, as proposed in the UBP NOPR, with the following exceptions. First, for clarity, we will revise "Network on Non-designated Resources" to read "Network Service From Non-designated Resources" in the reference to Service Request Tier 3 (4.4.3) in Guide 4.14. Second, we will revise the references to Service Request Tier 5 (4.4.5) in Guide 4.14 and in Table 4–3, Row 9, to clarify that Tier 5 service involves non-firm point-to-point service over secondary receipt and delivery points. Also, as discussed in section II.D.1, above, we will adopt these proposed guides as Standards 4.14 and 4.4.1–4.4.5.¹⁰⁹

Standard 4.15—First-Come-First-Served

Guide 4.15 provides that, consistent with regulations and filed tariffs, recommended reservation requests should be handled on a first-come-first-served basis based on queue time.¹¹⁰ The exact language of this proposed guide is as follows:

Guide 4.15: Consistent with regulations and filed tariffs, reservation requests should be handled in a first-come-first-served order based on QUEUE TIME.

¹⁰⁷ UBP NOPR at 33,655 & n.136.

¹⁰⁸ VEPCO Comments at 8.

¹⁰⁹ As discussed above, we have asked the MIC/How Groups to report to us on whether an additional provision is needed here covering NHM Service.

¹¹⁰ UBP NOPR at 33,631.

Comments

VEPCO filed the sole comment concerning proposed Guide 4.15. VEPCO supports the proposal in the UBP NOPR to adopt this guide.

Discussion

Given the absence of any opposing comments, we will adopt this provision, as proposed in the UBP NOPR. As discussed in section II.D.1, above, we will adopt this proposed guide as Standard 4.15.

Standard 4.16—Priorities for Competing Reservation Requests

As we stated in the UBP NOPR, recommended Guide 4.16, which includes Table 4–3, describes the relative priorities of competing service requests and rules for offering a right-of-first-refusal, consistent with Commission regulations and filed tariffs.¹¹¹ The exact language of this proposed guide is as follows:

Guide 4.16: Consistent with regulations and filed tariffs, Table 4–3 describes the relative priorities of competing service requests and rules for offering right-of-first-refusal. While the table indicates the relative priorities of two competing requests, it also is intended to be applied in the more general case of more than two competing requests.

As we stated in the UBP NOPR, Guide 4.16 would allocate requests for Tier 1 services (native load, network, long-term firm) and Tier 2 services (short-term firm) on a first-come-first-served basis.¹¹² A request for Tier 1 service could not be preempted. A request for Tier 2 service that is "conditional" could be preempted by a request for Tier 1 service without any right-of-first-refusal.¹¹³ A request for Tier 2 service

¹¹¹ UBP NOPR at 33,631–33.

¹¹² UBP NOPR at 33,633.

¹¹³ In the UBP NOPR at 33,633 n.96, we explained that the distinction between conditional and unconditional service, as related to firm point-to-point service, is discussed in Order No. 888, FERC Stats. & Regs. ¶ 31,036 at 31,746, where we stated:

Accordingly, the Final Rule pro forma tariff provides a mechanism to address this concern while safeguarding the rights of potential customers to obtain access to unused capacity. The tariff provides that reservations for short-term firm point-to-point service (less than one year) will be conditional until one day before the commencement of daily service, one week before the commencement of weekly service, and one month before the commencement of monthly service. These conditional reservations may be displaced by competing requests for longer-term firm point-to-point service. For example, a reservation for daily firm point-to-point service could be displaced by a request for weekly firm point-to-point service during an overlapping period. Before the applicable reservation deadline, a holder of a conditional firm point-to-point reservation would have the right of first refusal to match any longer-term firm point-to-point reservation before being displaced. After the deadline, the reservation becomes unconditional, and the service would be

that is “conditional” could also be preempted by a request for longer term Tier 2 service but, under this circumstance, it would receive the right-of-first-refusal.¹¹⁴

Tier 3 service (network service from non-designated resources) could be preempted by requests for either Tier 1 or Tier 2 service and would not receive

the right-of-first-refusal. Tier 4 service (all non-firm point-to-point) could be preempted by request for Tier 1, 2, or 3 service and would not receive the right-of-first-refusal. A Tier 4 request could be preempted (except in the hour before service begins) by a longer duration tier 4 service and would receive the right-of-first-refusal. Until a Tier 4 request is

confirmed, it could be preempted (except in the hour before service begins) by a preconfirmed Tier 4 request of equal duration and higher price. The request would not receive the right-of-first-refusal. The exact language of Table 4–3, as proposed in the UBP NOPR, is as follows:¹¹⁵

TABLE 4–3.¹¹⁶—PRIORITIES FOR COMPETING RESERVATION REQUESTS

Row	Request 1	Is preempted by Request 2	Right of first refusal
1	Tier 1: Long-term Firm, Native Load, and Network Firm.	N/A—Not preempted by a subsequent request.	N/A.
2	Tier 2: Short-term Firm	Tier 1: Long-term Firm, Native Load, and Network Firm), while Request 1 is conditional. Once Request 1 is unconditional, it may not be preempted.	No.
3	Tier 2: Short-term Firm	Tier 2: Short-term Firm of longer term (duration), while Request 1 is conditional. Once Request 1 is unconditional, it may not be preempted. ¹	Yes, while Request 1 is conditional. Once Request 1 is unconditional, it may not be preempted and right of first refusal is not applicable.
4	Tier 3: Network Service From Non-Designated Resources.	Tiers 1 and 2: All Firm (including Network)	No.
5	Tier 4: All Non-Firm PTP	Tiers 1 and 2: All Firm (including Network)	No.
6	Tier 4: All Non-Firm PTP	Tier 3: Network Service from Non-Designated Resources.	No.
7	Tier 4: All Non-Firm PTP	Tier 4: Non-firm PTP of a longer term (duration). ¹ Except in the last hour prior to start (see Standard 4.23).	Yes.
8	Tier 4: All Non-Firm PTP	Tier 4: Non-firm PTP of equal term (duration) ¹ and higher price, when Request 1 is still unconfirmed and Request 2 is received pre-confirmed. A confirmed non-firm PTP may not be preempted for another non-firm request of equal duration. (See Standard 4.22 and Guide 4.25).	No.
9	Tier 5: PTP Service over secondary receipt and delivery points.	Tier 5 can be preempted by Tiers 1 through 4.	No.

¹ Longer duration, in addition to being higher SERVICE INCREMENT (i.e., WEEKLY has priority over DAILY), also may mean more multiples of the same SERVICE INCREMENT (i.e., 3 Days may have priority over 2 Days).

Comments

The commenters on Table 4–3 and Guide 4.16 raise a number of unrelated issues. For clarity, we will address these issues separately.

1. Multiples of Service Increments

Duke argues that Footnote 1 of Table 4–3 should be revised so that requests for Multiples of the same SERVICE INCREMENTS would not be given priority during the reservation process.¹¹⁷ VEPCO argues that giving higher priority to multiple service increments allows participants to “game” the preemption process. For example, a customer who requests 2 days of daily service at 100 MW per day

could be preempted by another customer requesting 2 days of daily service at 100 MW per day and 1 day at 1 MW.

Discussion

As we stated in the UBP NOPR, recommended Guide 4.16 defines the priorities of longer duration for non-firm point-to-point service to include both a higher service increment (weekly service has priority over daily service) and multiples of the same service increment (three day service has priority over two day service).¹¹⁸ We also found these priorities to be consistent with section 14.2 of the *pro forma* tariff.¹¹⁹ Nothing in Duke and VEPCO’s

arguments persuades us otherwise. Thus, we deny Duke’s request to revise footnote 1 to Table 4–3. Three day service is of a longer duration than one day service and in our view deserves a higher priority because this encourages greater use of the transmission system.

As to VEPCO’s concern that granting priority to multiple service increments could lead to gaming by customers who increase their service increments with small amounts of capacity (adding a third and fourth day at 1 MW to a 100 MW request) we do not interpret footnote 1 to Table 4–3 to allow this. Nevertheless, to remove any uncertainty, we will revise note 1 of Table 4–3 to clarify that multiple service

entitled to the same priorities as any long-term point-to-point or network firm service.

Conditional reservations also are discussed in *Madison Gas & Electric Company v. Wisconsin Power & Light Company*, 80 FERC ¶ 61,331 at 62,102–03 (1997), *reh’g denied*, 82 FERC ¶ 61,099 at 61,372–73 (1998).

¹¹⁴ The rights-of-first-refusal shown in Table 4–3 should not be confused with the right-of-first-refusal available to a customer with a pre-existing expiring contract under Order No. 888, *see* FERC Stats. & Regs. ¶ 31,036 at 31,745.

¹¹⁵ As mentioned above, we have requested that the MIC/How Groups review whether this table needs revision in light of the Next Hour Order.

¹¹⁶ For clarity, we have identified the rows in Table 4–3.

¹¹⁷ Duke Comments at 7.

¹¹⁸ UBP NOPR at 33,634.

¹¹⁹ *Id.*

increments must be at the same level of capacity. Requests for lesser amounts of capacity should be made in a separate unrelated request for transmission service.

2. "Preemption" of Unconfirmed Requests for Non-Firm Point-to-Point Transmission Service

VEPCO argues that a footnote should be added to Row 7 of Table 4-3 stating that a request that is preempted before it is confirmed does not have right-of-first-refusal.¹²⁰ VEPCO also requests clarification that as long as a Transmission Provider's methodology for treating preemption and the right-of-first-refusal meets the intent of, or is superior to, the pro forma tariff, and is applied in a non-discriminatory manner, then the transmission provider will be in compliance with this proposed standard.¹²¹

Discussion

Row 7 of Table 4-3 governs the priorities for competing reservation requests for non-firm point-to-point transmission service. It provides that a request may be preempted by a subsequent request of a longer term (duration). Where applicable, requests may be superseded before being confirmed, and may still be preempted after confirmation. As to whether superseded requests obtain a right-of-first-refusal, this question was already addressed in the UBP NOPR, where we stated:

Table 4-1's definition of SUPERSEDED is silent as to why and when an unconfirmed request might be preempted. It neither confers nor denies a customer's right to match. When a request for transmission service has been superseded, this occurs before the customer's confirmation. Therefore, the customer has no right to match.^[122]

Nonetheless, to remove any uncertainty, we will add the requested footnote to Row 7 of Table 4-2 clarifying that the reference in Row 7 of Table 4-3 to a right-of-first-refusal applies only to confirmed requests. As shown in the quoted language above, this is consistent with our findings on this subject in the UBP NOPR.

As to VEPCO's request for clarification, we disagree with VEPCO's suggested approach. All transmission providers must implement preemption and the right-of-first-refusal in the same manner. This is not an area where

transmission providers are free to devise their own unique procedures.

3. Right-of-First-Refusal to Match a Preconfirmed Tier 4 Request of Equal Duration and Higher Price

VEPCO asserts that Row 8 of Table 4-3 is in conflict with proposed Guide 4.26. Specifically, VEPCO argues that Row 8 implies that a transmission provider need not COUNTEROFFER the price of a subsequent request of equal term and higher price if the first request is still unconfirmed. VEPCO recommends that Row 8 be eliminated for the reasons stated in its comments on proposed Guide 4.26, below.

Discussion

VEPCO is correct that Row 8 of Table 4-3 conflicts with Guide 4.26. Table 4-3 provides, without qualification, that an unconfirmed request for non-firm point-to-point service preempted by a preconfirmed Tier 4 request of equal duration and higher price is not entitled to right-of-first-refusal.¹²³ However, Guide 4.26 would permit a transmission provider to offer the right-of-first-refusal in this instance. We will correct this discrepancy by amending Row 8 of Table 4-3 to give a right-of-first-refusal.

4. Adoption as Mandatory Standard

Comments

ECI argues that, at a minimum, Guide 4.13 (Table 4-2) specifying the reservation timing requirements and Guide 4.16 (Table 4-3), which specifies the priorities for competing reservation requests, must be reclassified as standards.

If each transmission provider is granted different timing requirements and different priorities, it will be very difficult to keep up with the smorgasbord of business rules when trading power among different transmission providers. The resulting discrepancies in the rules would make it very difficult for market participants to synchronize transmission across the different grids.¹²⁴

Discussion

We agree with ECI that, of all the Uniform Business Practices, the one where uniformity among transmission providers is most urgently needed, is in assigning priorities for competing reservation requests. We agree with ECI that the current "smorgasbord" of practices among transmission providers makes it difficult for customers to move power across the grid and inhibits the development of markets. If the priorities are left voluntary, this will remain the case. Accordingly, as discussed in

section II.D.1, above, we will adopt proposed Guide 4.16 as Standard 4.16.

Standard 4.17—Required Posting When a Reservation Request Is Preempted

Guide 4.17, as proposed in the UBP NOPR, provides that when a reservation request is preempted, the transmission provider must post the assignment reference number of the reservation that preempts the reservation request.¹²⁵ The exact language of this provision is as follows:

Guide 4.17: For a reservation request that is preempted, the Transmission Provider should indicate the Assignment Reference Number of the reservation that preempted the reservation request.

Comments

Duke recommends that the assignment reference number of the preempting request be placed in the Seller Comment field of the preempted request. VEPCO would post the assignment reference number in the STATUS COMMENTS field of the preempted request.

Discussion

Guide 4.17 provides that transmission providers indicate the Assignment Reference Number of the reservation that preempted the reservation. However, the Guide does not specify where the number should appear in the TRANSSTATUS template. This information should be posted in a uniform location within the TRANSSTATUS template so that OASIS users will know where to find it. Thus, we will require that the Assignment Reference Number of the preempting request be placed in the Seller Comment field of the preempted request.

In addition, as discussed in section II.D.1, above, we will adopt this guide as a standard. We therefore will adopt Standard 4.17 that provides as follows:

Standard 4.17: For a reservation request that is preempted, the Transmission Provider must indicate the Assignment Reference Number of the reservation that preempted the reservation request in the Seller Comment field of the preempted request.

Standard 4.18—Displaced and Superseded Pending Requests for Transmission Service

As we stated in the UBP NOPR, Guide 4.18 lays out the circumstances when a transmission provider may displace or supersede pending requests for service based on the priorities laid out in Table 4-3 (Guide 4.16).¹²⁶ The exact language of this provision is as follows:

¹²⁰ VEPCO Comment at 8.

¹²¹ Because we are addressing preemption, we will address VEPCO's comment here, even though it was raised as an aside to its support for Standard 4.21.

¹²² UBP NOPR at 33,626, notes omitted.

¹²³ See UBP NOPR, Row 8, Column 3 of Table 4-3, which states "no" to whether a right-of-first-refusal is provided.

¹²⁴ ECI Comments at 2.

¹²⁵ UBP NOPR at 33,634.

¹²⁶ UBP NOPR at 33,632.

Guide 4.18: Given competing requests for a limited resource and a right-of-first-refusal is not required to be offered, the Provider may immediately move requests in the CONFIRMED state to DISPLACED, or from an ACCEPTED or COUNTEROFFER state to SUPERSEDED, if the competing request is of higher priority, based on the rules represented in Table 4–3. These state changes require dynamic notification to the Customer if the Customer has requested dynamic notification on OASIS.

In the UBP NOPR, we clarified that a transmission provider may change a confirmed reservation from the CONFIRMED status to DISPLACED status, at the time a competing request of higher priority is confirmed.¹²⁷

In addition, the UBP NOPR proposed that transmission providers decrement ATC on their internal systems upon accepting a request (without waiting for a customer's confirmation). At the same time, we invited specific comment on whether ATC should be decremented upon acceptance of a customer's request or upon the customer's confirmation of the acceptance. We also proposed that ATC postings be updated when the transmission service is reserved (after confirmation).¹²⁸

We also proposed to clarify the definition of "DISPLACED" by inserting the words "if any" after the word "refusal" to make clear that the existence of a status value for "DISPLACED" in the S&CP Document is not meant to confer any right-of-first-refusal. In addition, we proposed to substitute the word "replaced" for "displaced" in the text of the definition.

Comments

PJM and Cinergy agree with our proposal to require that ATC be decremented internally when a reservation is accepted and that ATC postings be decremented when a reservation is confirmed.¹²⁹ PJM argues that if ATC is not decremented when a reservation is accepted, a customer could be placed in the position of having its request accepted, creating a deal based on the acceptance, and, when it was ready to confirm, another customer could be awarded the service.

Allegheny Power, Consumers, Duke, TEP, and VEPCO disagree with the proposal and would decrement ATC (both internally and in postings) when the accepted reservation is confirmed by the customer.¹³⁰ Allegheny Power cites

its experience as the reason for preferring to decrement on confirmation. Recently, Allegheny Power accepted, without confirmation, as many as 50 reservations on a given path.¹³¹ Allegheny Power claims that decrementing ATC for each reservation would have artificially limited the east to west transmission market by reducing ATC to zero on many paths. Allegheny Power's ability to sell transmission service would have been limited without a commitment from customers. Allegheny Power argues that by setting confirmation time limits, requests that are not confirmed are removed from the queue. Allegheny Power also argues that the procedure avoids the possibility of a customer purposely locking up all ATC on a path with no intention of confirming the request.¹³² Duke adds that, if ATC is internally decremented upon acceptance, a transmission provider may find itself in the position of having decremented ATC and subsequently having the customer withdraw the request.

TEP argues that decrementing ATC when a reservation is confirmed assures a commitment by the customer to pay for the service and allows ATC to be adjusted and posted in a single automated process.¹³³

Duke also requests that the Commission clarify its rules on transmission providers' practices with regard to the posting of ATC, to decrement and show capacity benefit margin (CBM) and transmission reserve margin (TRM) on the OASIS, in addition to showing transmission reservations, in order to make clear how transmission providers have arrived at their posted ATC.¹³⁴

In the UBP NOPR, we explained that, unless ATC is updated internally on acceptance, a transmission provider could be placed in the awkward position of having accepted numerous requests for the same constrained capacity and having several customers confirm the deal at the same time. VEPCO argues that the solution to having customers confirm at the same time is for the transmission provider to displace the later requests.¹³⁵ VEPCO also argues that ATC should not be decremented until a customer agrees to pay for it.¹³⁶

Consumers' request asks us to clarify the goal of maintaining separate posted

and non-posted ATC values, and how transmission providers will use non-posted ATC.¹³⁷ Consumers' point seems to be that there is no value in a transmission provider maintaining non-posted ATC values.

Discussion

In the UBP NOPR,¹³⁸ we proposed to revise the definition of "displaced" in the Data Element Dictionary and in section 4.2.10.2 of the S&CP Document. In addition, as discussed in section II.D.4.b, above, we will correct the definition of "displaced" to add the word "not" that was erroneously omitted. With these changes, the definition of "displaced" in section 4.2.10.2 of the S&CP Document will now read as follows:

DISPLACED = assigned by Provider or Seller when a "CONFIRMED" reservation from a Customer is replaced by a longer term reservation and the Customer has not exercised right of first refusal, if any (*i.e.*, refused to match terms of new request). (Final state).

We continue to believe that it is preferable for transmission providers to decrement ATC internally as reservations are accepted and to decrement ATC postings as reservations are confirmed. VEPCO suggests that rather than decrement ATC internally when reservations are made, transmission providers should displace customers at the end of the queue when confirmations are made. We believe that VEPCO's suggestion unfairly penalizes customers who have made deals based on acceptance of their reservations and whose unconfirmed reservations are subsequently preempted. If transmission providers decrement ATC internally as requests are made, then customers at the end of the queue will not have their reservations accepted until, and if, space becomes available. Consequently, fewer customers whose requests were accepted will be denied service.

By contrast, VEPCO's suggestion would extend acceptances to customers further down the queue, who could preempt customers who had made their requests earlier, but who had not yet confirmed. This undercuts the customer confirmation time limits agreed on by the industry and that we are adopting in Table 4–2, and is not a desired outcome. In addition, VEPCO's comments here are contradicted by its comments supporting proposed Guide 4.7 and 4.25, where VEPCO asserted that all pending requests should be evaluated at the same time, prior to acceptance, and that subsequent requests at a higher

¹²⁷ UBP NOPR at 33,634.

¹²⁸ The transmission provider adjusts its calculation of ATC internally before it is required to post a revised ATC on the OASIS.

¹²⁹ PJM Comments at 5, Cinergy Comments at 10.

¹³⁰ Duke also raises this argument in connection with pre-confirmation under proposed Guide 4.25. We will address Duke's comment there.

¹³¹ Allegheny Power Comments at 3.

¹³² Allegheny Power Comments at 3–4.

¹³³ TEP Comments at 4.

¹³⁴ Duke Comments at 9.

¹³⁵ VEPCO Comments at 10.

¹³⁶ *But see* discussion of VEPCO's comments (re: proposed Guide 4.7) in section II.D.4.c above and later in this section (re: proposed Guide 4.25).

¹³⁷ Consumers Comments at 3.

¹³⁸ This proposal was unopposed.

price are not to be evaluated until expiration of the customer's confirmation time limits.

Regarding Consumers' requests for clarification of what we expect to achieve by having transmission providers maintain an internal ATC value and a posted ATC value, keeping track internally of how much ATC has been reserved allows transmission providers to know when reservations reach the capacity limit of a path. This offers the benefit of allowing transmission providers to cease accepting reservations until capacity becomes available (either through the withdrawal of a pending request or the expiration of a confirmation time limit).

The foregoing discussion of Consumers' request for clarification explains why the Commission finds merit in having a transmission provider internally decrement ATC at the time it accepts a customer's request. This discussion should not be interpreted as revising the requirements for updating ATC postings established in Order No. 889,¹³⁹ which requires that, "A [ATC and TTC] posting for a constrained path must be updated when transmission service on the path is reserved or service ends or when the path's TTC changes by more than 10 percent," and "[p]ostings for an unconstrained posted path must be updated when the ATC changes by more than 20 percent of the path's TTC."

As to Duke's suggestion that transmission providers decrement and show CBM and TRM on the OASIS, we note that, on January 31, 2000, the MIC and How Group jointly filed recommended revisions to the S&CP Document that, among other matters, propose a method for posting CBM and TRM on the OASIS.¹⁴⁰ We will address Duke's suggestion within the context of our review of the recommended revisions to the S&CP Document. As discussed in section II.D.1, above, we will adopt this guide as Standard 4.18.

Standard 4.19—Counteroffers When Right-of-First-Refusal Is Required

In the UBP NOPR, we stated that Guide 4.19 provides that, in instances where the customer is entitled to a right-of-first-refusal, the transmission provider is to notify the customer

¹³⁹ Order No. 889, FERC Stats. and Regs. ¶ 31,035 at 31,606 (1996).

¹⁴⁰ This was filed in response to the Commission's clarifying order in Capacity Benefit Margin in Computing Available Transmission Capacity, 88 FERC ¶ 61,099 at 61,237 (1999), where the Commission directed that, for each path for which a utility already posts ATC, a transmission provider should also post (and update) the CBM figure for that path, and also should provide a narrative explanation of its CBM practices.

through the use of a COUNTEROFFER of the opportunity to match the subsequent offer. The exact language of this proposal is as follows:

Guide 4.19: In those cases where right-of-first-refusal is required to be offered, the Provider shall notify the Customer, through the use of a COUNTEROFFER, of the opportunity to match the subsequent offer.

Comments

VEPCO recommends that Guide 4.19 not be adopted as written. VEPSCO asserts that it is not possible to facilitate the exercise of a right-of-first-refusal as envisioned by Guide 4.19. It argues that the State Diagram does not allow the status of a CONFIRMED request to be changed to COUNTEROFFER. VEPSCO also argues that even if the diagram permitted the change, the S&CP Document does not permit the customer to modify the term of service of the request after the request is submitted. VEPSCO proposes to add a new status, "preempted with right of first refusal," to the diagram. VEPSCO states that once a request attains this status, the customer should be permitted to modify the term of service to match the preempting request. VEPSCO adds that, as the customer would be able to modify the original request, the original queue time would be preserved.

Discussion

As discussed in section II.D.1, above, we will adopt proposed Guide 4.19 as Standard 4.19. We agree with VEPSCO that the State Diagram in the S&CP Document does not permit a COUNTEROFFER to a CONFIRMED reservation. In section II.D.4.b, above (discussing Guide 4.5), we addressed the conflict caused by the definition of REBID, in the S&CP Document, which does not allow rebidding of duration, and Row 7 of Table 4-3, which does allow rebidding of duration. We resolved this conflict by requesting that the MIC/How Group make the necessary changes to the S&CP Document. VEPSCO calls our attention to an associated problem: the State Diagram does not have a mechanism for implementing the right-of-first-refusal. VEPSCO proposes to add a new STATUS, "preempted with right of first refusal," to the State Diagram. We are reluctant to make this change to the S&CP Document without the MIC and How Group considering the consequences of this change. We, therefore, will adopt Standard 4.19, but request that, within ninety (90) days of the date of publication of this Final Rule in the **Federal Register**, the MIC and How Group propose changes in the State Diagram, templates, and the S&CP

Document needed to properly implement this standard.

Standard 4.20—Time Limits for Right-of-First-Refusal

In the UBP NOPR, we proposed Guide 4.20, which provides as follows:

Guide 4.20: A Customer who has been extended a right-of-first-refusal should have a confirmation time limit equal to the lesser of a) the Customer Confirmation Time Limit in Table 4-2 or b) 24 hours.

Comments

Duke claims that the confirmation time limits of Guide 4.20 are too restrictive. It speculates that, in many instances, a significant amount of time will have passed between the confirmation of Request One and the submittal of Request Two. Duke argues that in these circumstances, Request One will need more than 24 hours to decide whether to exercise the right-of-first-refusal if the original confirmation time limits were greater than 24 hours. Duke recommends that the "or 24 hour" limit imposed by Guide 4.20 be dropped and that customer Confirmation Time Limits as set forth in Table 4.2 apply to the right-of-first-refusal.¹⁴¹

Discussion

Duke's proposal affects the time limits for three services—firm weekly, firm monthly, and firm yearly. As proposed, Guide 4.20 would allow 24 hours to exercise the right-of-first-refusal in all three cases. Duke proposes to change this to 48 hours, 4 days, and 15 days, respectively. In our view, Duke has failed to show that the 24 hour time limit in Guide 4.20 is too restrictive, given that it deals with the second round of the negotiations. We, therefore, will reject Duke's proposal for a longer response time. As discussed in section II.D.1, above, we will adopt this guide as Standard 4.20.

Standard 4.21—Non-discriminatory Rights-of-First-Refusal

As we stated in the UBP NOPR, recommended Standard 4.21 requires transmission providers to apply all rights-of-first-refusal in a non-discriminatory and open manner.¹⁴² The exact language of this provision is as follows:

Standard 4.21: A Transmission Provider shall apply all rights-of-first-refusal in a non-discriminatory and open manner for all Customers.

¹⁴¹ Duke Comments at 8.

¹⁴² UBP NOPR at 33,636-37.

Comments

VEPCO filed the sole comment regarding Standard 4.21. VEPCO raises no objection to the adoption of this standard.¹⁴³

Discussion

Given the absence of any opposing comments, we will adopt this provision, as proposed in the UBP NOPR.

Standards 4.22 & 4.23—When Confirmed Requests May Not Be Displaced

Standards 4.22 and 4.23 discuss when a confirmed reservation for non-firm point-to-point service is protected from being displaced. The exact language of these provisions, as proposed in the UBP NOPR, is as follows:

Standard 4.22: Once a non-firm PTP request has been confirmed, it shall not be displaced by a subsequent non-firm PTP request of equal duration and higher price.

Standard 4.23: A confirmed, non-firm PTP reservation for the next hour shall not be displaced within one hour of the start of the reservation by a subsequent non-firm PTP reservation request of longer duration.

Comments

Southern seeks clarification of three issues regarding Standards 4.22 and 4.23. First, Southern asserts that Standards 4.22 and 4.23 are in conflict with section 14.2 of the *pro forma* tariff and that if Standards 4.22 and 4.23 are adopted, section 14.2 of the *pro forma* tariff must be modified, as proposed by the CPWG/How Group in the June 17 Report.¹⁴⁴ Southern argues that the conflict arises because, under section 14.2 of the *pro forma* tariff, a request for non-firm point-to-point service is to be displaced by a subsequent request for non-firm point-to-point service of equal duration at a higher price. Southern contends that the Commission has four options available to it: (1) Revise section 14.2 of the *pro forma* tariff to match Standards 4.22 and 4.23; (2) clarify that Standards 4.22 and 4.23 can be implemented without changes to the *pro forma* tariff; (3) reclassify Standards 4.22 and 4.23 as guides, and instruct utilities who wish to implement them to file revisions to section 14.2 of their individual open access transmission tariffs; or (4) delete the proposed standards.¹⁴⁵

Second, Southern requests clarification that Standards 4.22 and 4.23 do not affect the requirement in

section 14.2 of the *pro forma* tariff that transmission service for network customers from resources other than designated network resources will have a higher priority than any non-firm point-to-point transmission service.

Third, Southern requests clarification that, if a conflict arises between the BPS and the *pro forma* tariff, the *pro forma* tariff controls.

VEPCO offers an interpretation of the interplay between Standard 4.22 and section 14.2 of the *pro forma* tariff that it asks the Commission to confirm. VEPCO reads section 14.2 of the *pro forma* tariff to require that, in the event of limited resources, competing requests for non-firm point-to-point service of equal duration are to be assigned priority based on price. At the same time, VEPCO reads Standard 4.22 to mean that, prior to confirmation, priority will be assigned as provided in section 14.2 of the *pro forma* tariff, while, after confirmation, a request for non-firm point-to-point service will not be displaced by a subsequent request of equal duration and higher price. Given that section 14.2 of the *pro forma* tariff is silent about confirmation, VEPCO argues that, if its understanding of 4.22 and 14.2 is correct, the two provisions are not in conflict, and it agrees with the Commission's proposal to adopt Standard 4.22. Otherwise, VEPCO recommends that Standard 4.22 be revised to reflect that the price prioritization only pertains to competing requests that are not yet CONFIRMED.¹⁴⁶

Discussion

The June 19 Report recommended a series of revisions to the *pro forma* tariff to avoid potential conflicts with its recommended guides and standards. Two such suggested revisions were meant to prevent any potential conflict with Standards 4.22 and 4.23. To rule out any conflict with recommended Standard 4.22, the How Group recommended that we revise section 14.2 of the *pro forma* tariff to "prevent displacement of a confirmed non-firm request by a subsequent request of the same duration, but at a higher price."¹⁴⁷ To rule out any conflict with recommended Standard 4.23, the How Group recommended that we revise section 14.2 to "prevent displacement of a confirmed non-firm request by a subsequent longer-term request if the request is made within one hour of the start, for the next hour." In the UBP NOPR, we proposed to adopt Standards 4.22 and 4.23 without making any

changes to section 14.2 of the *pro forma* tariff. We found that the recommended revisions were not needed because,

In evaluating competing requests for transmission service, we believe that section 14.2 properly directs the transmission provider to give priority to requests for service at a higher price or for a longer duration. However, section 14.2 does not address displacement of an accepted and confirmed request for transmission service upon receipt of a subsequent request for service.¹⁴⁸

This being the case, we proposed adoption of Standards 4.22 and 4.23, but found it unnecessary to revise section 14.2 of the *pro forma* tariff to accomplish this. VEPCO supports our adoption of Standards 4.22 and 4.23, but asks us to confirm its understanding that, after confirmation, a request for non-firm point-to-point service will not be displaced by a subsequent request of equal duration and higher price. VEPCO's understanding is correct and is explicitly stated in Standard 4.22.

Regarding Southern's request for clarification, we clarify that, in the event of a conflict between the BPS and the *pro forma* tariff, the *pro forma* tariff controls. However, in our view, Standards 4.22 and 4.23 raise no such conflicts. Accordingly, given the absence of any opposing comments, we will adopt Standards 4.22 and 4.23 as proposed in the UBP NOPR.

In addition, as requested by Southern, we also clarify that Standard 4.23 does not affect the requirement in section 14.2 of the *pro forma* tariff that transmission service for network customers from resources other than designated resources will have a higher priority than non-firm point-to-point transmission service.

Standard 4.24—Requests on Unconstrained Paths

In the UBP NOPR, we proposed Guide 4.24, as follows:

Guide 4.24: A Transmission Provider should honor any reservation request submitted for an unconstrained Path if the Customer's bid price is equal to or greater than the Provider's posted offer price at the time the request was queued, even if later requests are submitted at a higher price. This guide applies even when the first request is still unconfirmed, unless the Customer Confirmation Time Limit has expired for the first request.

Comments

VEPCO argues that Guide 4.24 would better track the OASIS Phase 1—A Standard State Definitions in the S&CP Document if the wording were changed to read "[a] Transmission Provider shall ACCEPT any valid reservation

¹⁴³ VEPCO Comments at 12.

¹⁴⁴ For convenience, Attachment B quotes sections 13.2, 14.2, 14.7, and 17.5 of the *pro forma* tariff.

¹⁴⁵ Southern Comments at 3–4.

¹⁴⁶ VEPCO Comments at 12–13.

¹⁴⁷ June 19 Report at A–1 of Appendix A.

¹⁴⁸ UBP NOPR at 33,641.

request * * *.” VEPCO also suggests that this guide be made a standard because transmission customers should be able to expect that, absent any resource limitations, a valid request will be accepted.¹⁴⁹

Discussion

We agree with VEPCO and will revise the guide accordingly. In addition, as discussed in section II.D.1, above, we will make this guide a standard. We therefore will adopt Standard 4.24 as follows:

Standard 4.24: A Transmission Provider should accept any reservation request submitted for an unconstrained Path if the Customer's bid price is equal to or greater than the Provider's posted offer price at the time the request was queued, even if later requests are submitted at a higher price. This standard applies even when the first request is still unconfirmed, unless the Customer Confirmation Time Limit has expired for the first request.

Standard 4.25—Pre-Confirmation and Preemption

Section 14.2 of the *pro forma* tariff provides that, on constrained paths, requests for non-firm point-to-point transmission service of equal duration will be assigned priority based on price. Guide 4.25 (which we here will adopt as Standard 4.25) would implement this concept for transactions on the OASIS by assigning priorities to requests, as follows:

(1) Once a customer makes a request for service, the transmission provider has a time limit to accept or reject the request.¹⁵⁰

(2) If, during this evaluation period, a second request for the same service and the same duration but at a higher price is received, the transmission provider would reject the first request.

(3) The clock for the transmission provider's accept or reject decision would be reset upon receipt of a higher bid. If no subsequent higher bids are received, the transmission provider would accept the second (higher) request at the end of the time limit.

(4) A customer whose request is accepted has a time limit to confirm the deal.¹⁵¹ If the customer fails to confirm within this time limit, its request is deemed withdrawn.¹⁵²

(5) Standard 4.25 gives competing customers an additional opportunity to offer a higher price. Until the customer whose request was accepted confirms the deal, other customers may obtain the service by submitting a pre-confirmed offer (for the

same duration) at a higher price. As with all standards, transmission providers are required to implement Standard 4.25 in non-discriminatory manner.

Thus, as we stated in the UBP NOPR, proposed Guide 4.25 would permit Tier 4 (non-firm point-to-point) service of equal term with a higher bid price to preempt a request for the same term and lower bid price, as long as the initial lower bid request has not yet been confirmed and the higher bid request is preconfirmed.¹⁵³ The exact language of this provision is as follows:

Guide 4.25: Once an offer to provide non-firm PTP transmission service at a given price is extended to a Customer by the Provider, and while this first request is still unconfirmed but within the Customer Confirmation Time Limit, the Provider should not preempt or otherwise alter the status of that first request on receipt of a subsequent request of the same Tier and equal duration at a higher price, unless the subsequent request is submitted as pre-confirmed.

Comments

The comments on this issue raise a number of separate issues. For clarity, we will discuss these issues separately.

1. Duke Suggestion—Multiple Acceptances with Priority Assigned to First Customer to Confirm

Duke argues that a customer making a subsequent request should not be required to preconfirm the request. In other words, Duke's preference is that a transmission provider should be able to accept multiple competing requests, at the same time, and the first customer to confirm an accepted request would be entitled to the transmission service requested,¹⁵⁴ unless subsequently displaced by a higher priority (higher tier) request, regardless of whether that confirmation is made by traditional confirmation or by pre-confirmation.¹⁵⁵

Discussion

In contrast to Standard 4.25 (proposed as Guide 4.25), which allows a request to be preempted by a subsequent request only if that subsequent request is pre-confirmed, Duke proposes to have the transmission provider accept both requests and award the service to whichever request is confirmed first. Under this approach, notwithstanding the customer confirmation time limits in Table 4–2, customers would be in a race to confirm first in every transaction. Customers in a position to give prompt confirmation would have a tremendous

advantage over customers needing to hear from other parties before committing themselves to making a purchase. Under Duke's proposal, a customer who confirms first preempts customers offering the same or even a higher price,¹⁵⁶ because whichever acceptance was confirmed first, would have priority. By contrast, under Standard 4.25, once a customer's request is accepted by the transmission provider, it would only be displaced by a subsequent request that offered a pre-confirmed higher bid. Otherwise, subsequent requests would not be evaluated until the first customer's confirmation time limit had expired.

We believe this proposal constitutes a significant departure from the recommendations of the June 19 Report and what we proposed in the UBP NOPR. As proposed in the UBP NOPR, pre-confirmation would allow a requester making a subsequent request to obtain priority over an unconfirmed request of the same duration by: (1) Offering a higher price; and (2) pre-confirming. This is consistent with the provisions in section 14.2 of the *pro forma* tariff that give priority based on the highest price offered.

Proposed Guide 4.25 is consistent with the *pro forma* tariff and is reasonable because the first customer is protected from being preempted by a bid at the same or a lower price, the transmission provider gets a higher price and a commitment to pay, and the subsequent customer offering the pre-confirmed higher price gets the transmission, even though it was not the first customer to request the service. By contrast, the priorities that would be established under Duke's proposal are not consistent with those established in the *pro forma* tariff.

2. Status of Subsequent Request That Is Not Pre-Confirmed

VEPCO requests clarification of the proposed Guide 4.25. VEPCO maintains that Guide 4.25 is silent as to what would happen if the subsequent request is not pre-confirmed. VEPCO argues that, if the subsequent request is not pre-confirmed, the transmission provider can change the status of the earlier request only after the later request has been confirmed. VEPCO goes on to say that if its interpretation is correct, it has no objection to this guide.¹⁵⁷

¹⁵⁶ Under Standard 4.24, however, the transmission provider would not be required to accept a request if the bid price is below the transmission provider's posted offer price.

¹⁵⁷ VEPCO Comments at 13.

¹⁴⁹ VEPCO Comments at 13.

¹⁵⁰ The time limit is prescribed by the "Provider Evaluation Time Limit" in Table 4–2 and varies depending on the length of service requested.

¹⁵¹ The time limit is prescribed by the "Customer Confirmation Time Limit after ACCEPTED or COUNTEROFFER" in Table 4–2 and varies depending on the length of services requested.

¹⁵² If the transmission provider elects to accept a request immediately, then steps 2 and 3, above, do not apply.

¹⁵³ UBP NOPR at 33,637.

¹⁵⁴ Duke and Allegheny Power raise similar arguments in connection with the timing of decrementing ATC.

¹⁵⁵ Duke Comments at 8.

Discussion

We disagree with VEPCO's contention that Guide 4.25 is silent about what transmission providers may do if the subsequent request is not pre-confirmed. The guide specifically states that,

the [Transmission] Provider should not preempt or otherwise alter the status of that first request on receipt of a subsequent request of the same Tier and equal duration at a higher price, unless the subsequent request is submitted as pre-confirmed.

Thus, under Guide 4.25, a transmission provider could not preempt the earlier request (that it already had accepted) to, instead, accept a subsequent request of the same Tier and equal duration at a higher price that is not pre-confirmed, unless the time limit for confirmation of the earlier request had elapsed and the earlier request was not confirmed. By contrast, as further discussed in section II.D.9.a, below, if the subsequent request (for non-firm transmission service of the same duration at a higher price) is pre-confirmed, it would preempt the earlier request, because it has a higher bid price.

3. Priority from Time of Request v. Priority from Time of Confirmation

VEPCO requests clarification of a statement made in the UBP NOPR discussion of proposed Guide 4.25 that "the first-come-first-served reservation priority of section 14.2 of the *pro forma* tariff applies from the time when a request for transmission service is made, not from the time when a request is confirmed." VEPCO states that its understanding of section 14.2 of the *pro forma* tariff is that reservations for non-firm service are to be prioritized based on duration of service and, in the event of competing requests of equal duration for a limited resource, the requests are to be prioritized based on price. VEPCO argues that the best construction of section 14.2 (and most consistent with the first-come-first-served principle) is that requests of equal duration and equal price must be processed in the order in which they are received. VEPCO argues that section 14.2 does not confer any additional rights on a request based on the time when the request is made.

VEPCO also asserts that

[t]he Commission declares that preservation of queue time is appropriate for firm requests since the first-come-first-served provision of section 13.2 of the *pro forma* tariff is based on the time that a request is made. The Commission states this fact in the July 17 Order and repeats it in the discussion on page 73 of the NOPR. On the other hand, our understanding is that non-firm requests do not acquire the right of first refusal until they

are confirmed (see our request for clarification within our comments on Guide 4.25, below). If our understanding is correct, then preserving the queue time for non-firm requests is not relevant to the exercise of a right of first refusal for a non-firm request. In fact, the time that a non-firm request is CONFIRMED determines the order in which it is considered for right of first refusal versus other CONFIRMED non-firm requests that are also subject to displacement by the same longer-term request. If our understanding is correct, then a Transmission Customer exercising its right of first refusal should have to submit a new pre-confirmed request for non-firm service in order to match a subsequent longer-term reservation for non-firm service. Once the new pre-confirmed request was ACCEPTED, it would automatically become CONFIRMED, and the time of confirmation of the new request would establish the order in which it is considered for right of first refusal in subsequent scenarios. Pre-confirmation should be a requirement in order to expedite the preemption process.

Discussion

Under section 13.2 of the *pro forma* tariff, long-term firm point-to-point transmission service is to be made available on a first-come-first-served basis and shorter term firm point-to-point transmission service (service for less than one year)¹⁵⁸ may be preempted on the basis of duration, but not on the basis of price.

However, under section 14.2 of the *pro forma* tariff, priorities for non-firm point-to-point transmission service are not determined based on first-come-first-served principles.¹⁵⁹ Under section 14.2 of the *pro forma* tariff, a transmission provider evaluates all pending requests for non-firm point-to-point transmission service at the same time. If resources are constrained, the transmission provider is to give priority based on duration. If duration is equal, the transmission provider is to give priority to those requests offering the highest price.

We agree with VEPCO that this evaluation of price is to happen before acceptance and that subsequent requests at a higher price are not to be evaluated until expiration of the customer's confirmation time limits.¹⁶⁰ However, under Guide 4.25, in the event that the

subsequent request for non-firm point-to-point service of equal duration offers a higher price and is pre-confirmed, the transmission provider is to preempt the first request, even though the confirmation time limit has not yet expired.¹⁶¹ As to the right-of-first-refusal, we will address that immediately below.

4. Right-of-First-Refusal

As quoted above, VEPCO asserts that "non-firm requests do not acquire the right-of-first-refusal until they are confirmed." VEPCO also argues that section 14.2 of the *pro forma* tariff confers a right-of-first-refusal to shorter term firm point-to-point service that already has been reserved, to match any longer term reservation before being preempted. VEPCO claims that this right is acquired at the time the earlier request is CONFIRMED, because a customer's confirmation is a commitment to pay and is what gives the customer rights to capacity.

Based on this understanding, VEPCO argues that short-term unconfirmed non-firm requests could be REFUSED or SUPERSEDED outright when subsequent competing requests of longer duration are CONFIRMED. VEPCO argues that if their understanding is incorrect, then short-term unconfirmed non-firm requests have to be included along with confirmed non-firm requests in the iterative preemption process when multiple competing requests exist. VEPCO claims that this overly complicates the prioritization and preemption rules for non-firm service. Specifically, VEPCO states,

[a]ccording to section 14.2 of the *pro forma* tariff, non-firm service is what is available from transmission capability in excess of that needed for reliable service. Keeping the importance of non-firm service in perspective relative to long-term firm service and short-term firm service, it would seem that non-firm service does not warrant the highly complicated and time consuming procedures for prioritization and preemption. Therefore, we request that the Commission clarify that short-term unconfirmed non-firm requests could be REFUSED or SUPERSEDED outright when subsequent competing requests of longer duration are CONFIRMED."

Discussion

Under section 14.2 of the *pro forma* tariff, the right-of-first-refusal to match a subsequent request for a longer duration is given only when a reservation already has been made. We consider a reservation to be made at the point when the customer confirms its

¹⁵⁸ Section 14.2 of the *pro forma* tariff provides that short term point-to-point transmission service has a term of less than one year.

¹⁵⁹ VEPCO's confusion may have resulted from an inadvertent reference in the UBP NOPR to section 14.2 of the *pro forma* tariff in responding to an argument from ECL. See UBP NOPR at 33,637.

¹⁶⁰ As seen in our discussion of Standard 4.18, in section II.D.4.d, above, this distinction becomes important in the consideration of when ATC is to be decremented. We also note that VEPCO's arguments here contradict those it raised in regard to Standard 4.18.

¹⁶¹ We note that we are speaking here about preempting an unconfirmed request for transmission, not about displacing a confirmed reservation with a longer duration.

acceptance. We agree with VEPCO that a right-of-first-refusal is not extended to a request for non-firm point-to-point transmission service that has been accepted, but not yet confirmed. Such a request may be preempted without a right-of-first-refusal.

As to requests for short-term firm point-to-point transmission service, section 13.2 of the *pro forma* tariff provides for preemption before the conditional reservation deadline passes, but not after. Before the conditional reservation deadline passes, a reservation for short-term firm service is given a right-of-first-refusal to match a subsequent request for longer duration short-term firm service (price is not a factor here). As with non-firm service, we consider a reservation to be made at the point when the customer confirms its acceptance.

5. Adoption as Mandatory Standard

As discussed in section II.D.1, above, we will adopt proposed Guide 4.25 as Standard 4.25.

Standard 4.26—Right of Customer Making Request to Match a Subsequent Pre-Confirmed Request at Higher Price

As stated in the UBP NOPR, Guide 4.25 would permit Tier 4 (non-firm point-to-point) service of equal term with a higher bid price to preempt a request for the same term and lower bid price, as long as the lower bid request is not confirmed and the higher bid request is preconfirmed.¹⁶² Guide 4.26 proposes to require a transmission provider to give the first customer the right-of-first-refusal. The exact language of Guide 4.26, as proposed in the UBP NOPR, is as follows:

Guide 4.26: If during a negotiation of service (*i.e.*, prior to Customer confirmation) a subsequent pre-confirmed request for service over the same limited resource of equal duration but higher price is received, the Provider *must* COUNTEROFFER the price of service on the prior COUNTEROFFER or ACCEPTED price to match the competing offer, in order to give the first Customer an opportunity to match the offer. This practice must be implemented in a non-discriminatory manner.

Guide 4.26, as recommended by the CPWG/How Group, stated that, “the Provider *may* COUNTEROFFER the price.” In the UBP NOPR, we proposed to change “*may*” to “*must*” to indicate that a transmission provider following Guide 4.26¹⁶³ would be required to COUNTEROFFER the price to offer the first customer a right-of-first-refusal. We

provided two reasons for the proposal: (1) Customers must know what to expect from a transmission provider; and (2) even though the guide provides that the practice be implemented in a non-discriminatory manner, there is too much room for discriminatory practices if providing the right to match is left optional.¹⁶⁴

Comments

Duke agrees that “*may*” should be changed to “*must*.” In addition, Duke proposes that Guide 4.26 be made a standard.¹⁶⁵

VEPCO claims that the purpose of the pre-confirmation process is to expedite the transition of a request from ACCEPTED to CONFIRMED and requests that we clarify that a pre-confirmed request is not negotiable because the procedures used in negotiation defeat the purpose of pre-confirmation.¹⁶⁶ VEPCO also argues that, if Guide 4.26 applies to situations where the first request is unconfirmed, giving the right-of-first-refusal to the first requester would unfairly penalize the submitter of a second, preconfirmed, request. VEPCO argues that, if the second request was submitted as unconfirmed, the first request would not receive the right-of-first-refusal. VEPCO states that submitting a request as pre-confirmed should not decrease the probability of receiving the requested service. VEPCO recommends that Guide 4.26 not be adopted.

Discussion

As proposed in the UBP NOPR, we will replace the word “*may*” with “*must*” in Guide 4.26. Regarding Duke’s request to make Guide 4.26 a standard, as discussed in section II.D.1, above, we will adopt this guide as Standard 4.26.

As we noted above (in our discussion of proposed Guide 4.16), there was a conflict between Row 8 of proposed Table 4–3 and proposed Guide 4.26. Table 4–3, as proposed in the UBP NOPR, did not permit a right-of-first-refusal when an unconfirmed request for non-firm point-to-point service is preempted by a pre-confirmed request of equal duration and higher price, while Guide 4.26 allowed transmission providers to offer the right-of-first-refusal under the same circumstances. As discussed above, we are resolving this conflict by amending Row 8 to give the right-of-first-refusal. With this revision, there is no longer a conflict between Table 4–3 and Guide 4.26.

Regarding VEPCO’s request for clarification that pre-confirmed requests are not negotiable, we disagree with VEPCO’s interpretation. The current process allows a transmission provider to COUNTEROFFER the pending unconfirmed request and negotiations would go on as if the subsequent request were not pre-confirmed. VEPCO’s proposal, to deny negotiations in response to pre-confirmed requests, would treat pre-confirmed requests as take-it-or-leave-it offers.

VEPCO’s objection to Guide 4.26, on the grounds that by submitting the subsequent reservation as pre-confirmed a customer gives up rights he would have had if he submitted the reservation as an unconfirmed reservation, is misplaced. Submitting an unconfirmed request in this instance does not give the second customer any rights. Standard 4.25, as adopted in this Final Rule, clearly states that the Transmission Provider should not preempt or otherwise alter the status of that first request on receipt of a subsequent request of the same Tier and equal duration at a higher price, unless the subsequent request is submitted as pre-confirmed.

Standard 4.27—Curtailed Non-Firm Point-to-Point Service

Guide 4.27, as recommended in the June 19 Report and as described (but not proposed) in the UBP NOPR, provides that curtailment (as opposed to reservation) of non-firm point-to-point transmission service should not be based on price.¹⁶⁷ The exact language of this provision is as follows:

Guide 4.27: Curtailment of non-firm PTP should not consider price. Based on the fact that curtailments are governed by the *pro forma* tariff, we decided, in the UBP NOPR, not to propose adoption of Guide 4.27. We invited commenters who disagreed with this view to address this matter in their comments to the UBP NOPR.

Comments

Both Florida Power Corp and VEPCO agree that Guide 4.27 should not be adopted.¹⁶⁸

Discussion

In the UBP NOPR we stated that this matter is governed by the *pro forma* tariff, however, we believe some elaboration on this point would be helpful. In reviewing this provision, it is important to keep in mind the distinction between “curtailment” and “interruption.” Curtailment only refers to service not being provided based on reliability concerns. However, under

¹⁶² UBP NOPR at 33,637–38.

¹⁶³ As we are here adopting Guide 4.26 as a standard (Standard 4.26) all transmission providers will be required to comply with its provisions.

¹⁶⁴ UBP NOPR at 33,638.

¹⁶⁵ Duke Comments at 9.

¹⁶⁶ VEPCO Comments at 15.

¹⁶⁷ UBP NOPR at 33,638.

¹⁶⁸ Florida Power Corp Comments at 6, VEPCO Comments at 16.

section 14.7 of the *pro forma* tariff, non-firm point-to-point service may be interrupted based on economic concerns. The distinction between "curtailment" and "interruption" is a technical distinction that can easily be confused. Adoption of Guide 4.27 as currently written might be misleading because readers might incorrectly assume that service could not be interrupted based on economic concerns. While we could rewrite the provision to incorporate the curtailment priorities of 14.7 of the *pro forma* tariff, we believe it is safer and preferable to leave these matters to the *pro forma* tariff, without paraphrase. Thus, we will not adopt Guide 4.27.

5. Procurement of Ancillary and Other Services

a. Transmission Provider Requirements (Standards 5.1–5.4)

In the UBP NOPR, the Commission proposed to adopt recommended Standards 5.1 and 5.3 and Guides 5.2 and 5.4. The Commission recognized that ancillary services are an essential part of a transmission services contract, and that the proposed definitions improve the OASIS reservation process by spelling out the mandatory, required, and optional ancillary services related to the transmission reservation. The exact language of these provisions, as proposed in the UBP NOPR, is as follows:

Standard 5.1: The Transmission Provider shall designate which ancillary services are MANDATORY, REQUIRED, or OPTIONAL for each offered transmission service to the extent these requirements can be determined in advance of the submittal of a reservation request on a specific Path by a Transmission Customer.

Guide 5.2: A Transmission Provider may modify a Transmission Customer's service request to indicate the Transmission Provider as the SELLER of any ancillary service, which is MANDATORY, to be taken from the Transmission Provider.

Standard 5.3: For REQUIRED and OPTIONAL services, the Transmission Provider shall *not* select a SELLER of ancillary service without the Transmission Customer first selecting that SELLER.

Guide 5.4: A Transmission Provider may accept a Transmission Customer's request for an ancillary service, which is not MANDATORY or REQUIRED, but shall indicate to the Transmission Customer at the time of acceptance under PROVIDER COMMENTS that the service is not MANDATORY or REQUIRED.

Comments

Comments were filed by Consumers¹⁶⁹ and VEPCO.¹⁷⁰ Both

recommend that ancillary services be categorized on the basis of path. They contend that this approach is consistent with current OASIS technology and requirements that determine whether different ancillary services are required depending on whether a path is into, out of, or through a system. VEPCO recommends that the proposed Standard 5.1 be revised to read as follows:

The Transmission Provider shall designate which ancillary services are MANDATORY, REQUIRED, or OPTIONAL for each offered transmission service or each transmission path to the extent these requirements can be determined in advance of the submittal of a reservation request on a specific Path by a Transmission Customer.

VEPCO suggests that Guide 5.2 be modified to substitute the word "shall" for "may," in the event a transmission customer fails to indicate the SELLER on its request for MANDATORY ancillary services, and be adopted as a standard.

VEPCO requests that the Commission clarify Standard 5.3 to indicate that the transmission provider should be permitted to modify the request to provide REQUIRED ancillary services. In support of this proposal, VEPCO provides an example illustrating the extra steps that would be required if the transmission customer fails to select a SELLER of REQUIRED ancillary services, including the submission of a new request in response to notification of an invalid request.

VEPCO suggests that Guide 5.4 is unnecessary, indicating that the only ancillary services that are not MANDATORY or REQUIRED are those designated as OPTIONAL. VEPCO further argues that Standard 5.1 clearly designates the service as OPTIONAL, and if a transmission customer requests the OPTIONAL service, the transmission provider should be allowed to assume the transmission customer actually wants the service.

Discussion

We find merit in the recommendation presented by Consumers and VEPCO to categorize ancillary services by path. It is apparent from the arguments presented that this can be accomplished with relative ease, and is consistent with the manner in which arrangements are made for such services, *i.e.*, different ancillary services are required depending on whether a path is into, out of, or through a system. Accordingly, we will revise proposed Standard 5.1 to read as follows:

Standard 5.1: The Transmission Provider shall designate which ancillary services are MANDATORY, REQUIRED, or OPTIONAL for each offered transmission service or each

transmission path to the extent these requirements can be determined in advance of the submittal of a reservation request on a specific Path by a Transmission Customer.

We also find merit in VEPCO's proposal to revise proposed Guide 5.2 to ensure that the correct seller of mandatory ancillary services is shown on the OASIS. Accordingly, we will revise proposed Guide 5.2, which we adopt as Standard 5.2 as discussed below, to read as follows:

Standard 5.2: A Transmission Provider shall modify a Transmission Customer's service request to indicate the Transmission Provider as the SELLER of any ancillary service, which is MANDATORY, to be taken from the Transmission Provider.

As to Standard 5.3 and proposed Guide 5.4, while we agree with VEPCO that these provisions may create extra steps for a transmission provider, we believe that these extra steps are necessary to ensure that transmission customers are adequately informed, prior to confirmation, of what ancillary services they are to obtain from the transmission provider. Accordingly, we will adopt Standard 5.3 as proposed. In addition, as discussed in section II.D.1, above, we will adopt proposed Guides 5.2 and 5.4 as Standards 5.2 and 5.4.

b. Transmission Customer Requirements (Standards 5.5–5.6)

In the UBP NOPR, the Commission proposed to adopt Guides 5.5 and 5.6, as recommended in the June 19 Report. These guides propose that the transmission customer should inform the transmission provider, at the time of the reservation request, of certain arrangements for ancillary services. The exact language of these provisions is as follows:

Guide 5.5: The Transmission Customer should indicate with the submittal of a transmission reservation request, the preferred options for provision of ancillary services, such as the desire to use an alternative resource.

Guide 5.6: A Transmission Customer may, but is not required to, indicate a third party SELLER of ancillary services, if these services are arranged by the Transmission Customer off the OASIS and if such arrangements are permitted by the Transmission Provider's tariff.

Comments

VEPCO concurs with Guide 5.5 provided that, if the transmission customer fails to indicate its preferred options for provision of ancillary services, the transmission provider is permitted to modify the request so that it is designated as the default SELLER

¹⁶⁹ Consumers Comments at 3.

¹⁷⁰ VEPCO Comments at 16.

of the ancillary service.¹⁷¹ Similarly, VEPCO concurs with Guide 5.6, provided that, if a transmission customer fails to indicate a third party SELLER of ancillary services and the transmission provider has not approved the arrangement between the transmission customer and any third party SELLER, the transmission provider may modify the request to designate itself as the default SELLER of the ancillary service.

AEP asserts that the transmission customer should be required to identify the SELLER in sufficient detail to enable the transmission provider to assure that the services will be provided and it (as control area operator) will not be left as the default transmission provider of such service. AEP supports this argument, by noting that transmission providers are responsible for the reliability of the transmission system, and must have the ability to verify that adequate arrangements have been made for ancillary services.¹⁷²

Discussion

We agree with the commenters that transmission providers need timely notice from customers as to which ancillary services they will be obtaining from the transmission provider, and which they will be obtaining from other sellers. As we stated in the UBP NOPR, [t]he June 19 Report recommends that the transmission customer should make known to the transmission provider (at the time of the reservation request) certain options related to arrangement of ancillary services, including taking all the MANDATORY and REQUIRED ancillary services from the primary provider, taking REQUIRED ancillary services from a third party seller, purchasing OPTIONAL services, and arranging for ancillary services in the future (prior to scheduling).¹⁷³

We also agree with AEP that transmission providers are responsible for the reliability of the transmission system, and that

the customer should be required to identify the seller in sufficient detail to enable the Transmission Provider to assure that the services will be provided and not be left to it as a control area operator to be a default provider of such service.¹⁷⁴

Given these concerns, and given that the *pro forma* tariff allows a transmission provider to require that customers specify their ancillary service providers when they make their reservations, we will follow VEPCO's suggestion to have the transmission provider post itself as the default ancillary service provider, if a

transmission customer fails to indicate a third party SELLER of ancillary services. However, we will also allow the transmission customer to make a change at a later date, so long as this change is made prior to the scheduling deadline. This change can be made without changing the reservation priority. In addition, as discussed in section II.D.1, above, we will adopt Guides 5.5 and 5.6 as Standards 5.5 and 5.6. We therefore will adopt Standards 5.5 and 5.6 that provide as follows:

Standard 5.5: The Transmission Customer should indicate with the submittal of a transmission reservation request, the preferred options for provision of ancillary services, such as the desire to use an alternative resource. The Transmission Provider shall post itself as the default ancillary service provider, if a Transmission Customer fails to indicate a third party SELLER of ancillary services. However, the Transmission Customer may change this designation at a later date, so long as this change is made prior to the Transmission Provider's scheduling deadline.

Standard 5.6: A Transmission Customer may, but is not required to, indicate a third party SELLER of ancillary services, if these services are arranged by the Transmission Customer off the OASIS and if such arrangements are permitted by the Transmission Provider's tariff. The Transmission Provider shall post itself as the default ancillary service provider, if a Transmission Customer fails to indicate a third party SELLER of ancillary services. However, the Transmission Customer may change this designation at a later date, so long as this change is made prior to the Transmission Provider's scheduling deadline.

6. Pathnaming Standards (Standards 6.1–6.4)

In the UBP NOPR, the Commission proposed Standards 6.1, 6.2 and 6.3 and Guide 6.4 as recommended by the CPWG/How Group. These standards and guide propose using previously optional fields in the S&CP Document to specify control area codes for PORs and PODs. The Commission concluded that this should provide consistency in path naming, and efficiency in the reservation process. The exact language of these provisions, as proposed in the UBP NOPR, is as follows:

Standard 6.1: A transmission provider shall use the path naming convention defined in the S&CP Data Dictionary for the naming of all reservable paths posted on OASIS.

Standard 6.2: A transmission provider shall use the third field in the path name to indicate the sending and receiving control areas. The control areas shall be designated using standard NERC codes for the control areas, separated by a hyphen. For example, the first three fields of the path name will be:

RR/TPTP/CAXX–CAYY/

Standard 6.3: A transmission provider shall use the fourth field of the path name to indicate POR and POD separated by a hyphen. For example, a path with a specific POR/POD would be shown as:

RR/TPTP/CAXX–CAYY/PORPORPORPOR–
PODPODPODPOD/

If the POR and POD are designated as control areas, then the fourth field may be left blank (as per the example in 6.2).

Guide 6.4: A transmission provider may designate a sub-level for Points of Receipt and Delivery. For example, a customer reserves a path to POD AAAA. The ultimate load may be indeterminate at the time. Later, the customer schedules energy to flow to a particular load that may be designated by the transmission provider as a sub-level Point of Delivery. This option is necessary to ensure certain providers are not precluded from using more specific service points by the inclusion of the POR/POD in the path name. All sub-level PORs and PODs must be registered as such on www.tsin.com.

Comments

VEPCO agrees with the adoption of Standards 6.1, 6.2, and 6.3. However, it seeks clarification of whether, under Guide 6.4, it is possible for a transmission customer to change a POR or POD after a request has been submitted. If so, VEPCO would not object to Guide 6.4, as long as it remains a guide and does not compel a transmission provider to allow transmission customers to change PORs and PODs after transmission customers have submitted requests.¹⁷⁵

Discussion

The comments raise no objection to Standards 6.1, 6.2, and 6.3. As to Guide 6.4, VEPCO has failed to persuade us that Guide 6.4 should not be adopted as a mandatory standard. VEPCO's concerns are unfounded because, by its terms, Standard 6.4 (even though mandatory) only applies to transmission providers who designate sub-levels for PORs and PODs. A transmission provider need not make such designations, unless it so chooses. In addition, as requested by VEPCO, we clarify that Guide 6.4 does not imply that transmission customers may change PORs and PODs after confirmation. Thus, we will adopt Standards 6.1, 6.2, and 6.3, and, as discussed in section II.D.1, above, will adopt Guide 6.4, as Standard 6.4.

7. Revisions to the S&CP Document

Elsewhere in this Final Rule we have directed that revisions be made to the S&CP Document. For convenience, we

¹⁷¹ VEPCO Comments at 17.

¹⁷² AEP Comments at 6.

¹⁷³ UBP NOPR at 33,639–40.

¹⁷⁴ AEP Comments at 6.

¹⁷⁵ VEPCO Comments at 19.

will summarize all of these revisions here.

As discussed in section II.D.2.c, above, we will revise the definition of “non-firm” in Standard 2.2.2 to clarify that the firm service that gets priority over non-firm service includes service to Native Load Customers and Network Customers. As discussed in section II.D.2.e, above, we will replace the Data Dictionary Element ANC SERVICE TYPE” in the S&CP Document with the term “AS TYPE.” As discussed in section II.D.4.b, above, will revise the definition of “superseded” in the Data Element Dictionary and in section 4.2.10.2 of the S&CP Document, as follows:

SUPERSEDED = assigned by Provider or Seller when a request which has not yet been confirmed is preempted by another reservation request. (Final state).

Also, as discussed in section II.D.4.d, above, we will revise the definition of “displaced” in the Data Element Dictionary and in section 4.2.10.2 of the S&CP Document, as follows:

DISPLACED = assigned by Provider or Seller when a “CONFIRMED” reservation from a Customer is replaced by a longer term reservation and the Customer has not exercised right of first refusal, if any (*i.e.*, refused to match terms of new request). (Final state).

Further, as discussed in section II.D.2.e, above, we will replace the Data Dictionary Element “ANC SERVICE TYPE” in the S&CP Document with the term “AS TYPE.”¹⁷⁶

Finally, as discussed in section II.D.4.b, above, we will clarify the definition of “REFUSED” in the Data Element Dictionary and in section 4.2.10.2 of the S&CP Document, as proposed in the UBP NOPR, by inserting the words “lack of” before the word “availability.” Cinergy supports the change and no commenters oppose it. We, therefore, will adopt a revised definition of “REFUSED” in the Data Element Dictionary and in section 4.2.10.2 of the S&CP Document as follows:

REFUSED = assigned by Provider or Seller to indicate service request has been denied due to lack of availability of transmission capability. SELLER COMMENTS should be used to communicate details for denial of service. (Final state).

Although we order these changes to become effective as of the effective date of this Final Rule,¹⁷⁷ we will not issue a complete, revised S&CP Document at

¹⁷⁶ In addition, for consistency, we will change the “alias” appearing in the Data Element Dictionary from “ANCTYPE” to “ASTYPE.”

¹⁷⁷ Sixty (60) days from the date of publication of this Final Rule in the **Federal Register**.

this time. It is our intention to issue a complete, revised S&CP Document in the near future that will include additional revisions that we contemplate making after receipt of recommendations from the MIC/How Group (*see* discussion below).

Requests to Industry Working Groups

As discussed in various sections above, we are making several requests to the MIC/How Groups regarding revisions to the S&CP Document. For convenience, we will summarize all of these requests here.

First, in section II.D.1, we request that the MIC/How Group report back to the Commission, within 9 months of the implementation date of these standards, with their recommendations as to any necessary revisions, additions, or enhancements to the BPS that the industry suggests based on its experience doing business under them.

Second, in section II.D.2.f, we request that the MIC/How Group consider the following questions and report back, within ninety (90) days of the date of publication of this order in the **Federal Register**, with their recommendations as to any necessary revisions or additions to the BPS to reflect the Commission’s findings in the Next Hour Order:

(1) Where in the BPS should the definitions of the scheduling period for “same-day” and “next-hour” transactions (as recommended in Guides 2.6–2.6.2) be located?

(2) Should the BPS include a definition of NHM Service?

(3) Should the Commission revise Tables 4–2 and 4–3 and related provisions to reflect the availability of NHM Service and its priority vis a vis other transmission services?

(4) Should the Commission adopt proposed Guides 4.2 and 4.3?¹⁷⁸

(5) In light of the Next Hour Order, are any other revisions to the BPS needed?

Third, consistent with our adoption, in section II.D.4.b, of Standards 4.4 and 4.5, we request that, within ninety (90) days of the date of publication of this order in the **Federal Register**, the MIC/How Group submit its recommendations on any necessary changes to the State Diagram and definitions in the S&CP Document to accommodate a transmission provider notifying a customer that he has the right-of-first-refusal and a customer’s response.

Fourth, in section II.D.4.c, we request that the MIC, with input from any interested persons, consider the proposals regarding Table 4–2 presented by AEP, BPA, Duke, and VEPCO, along with other possible options, and that the MIC report back to us on these matters as part of its nine-month report, giving the MIC’s recommendations on any

further revisions to Table 4–2 that might be needed, along with any dissenting views and the reasons why those views were not adopted by the group as a whole.

Fifth, in section II.D.4.d, we request that the MIC and How Group consider VEPCO’s suggestion to add a new STATUS, “preempted with right of first refusal,” to the State Diagram and to recommend, within ninety (90) days of the date of publication of this order in the **Federal Register**, whatever changes would be appropriate to the State Diagram, templates, and the S&CP Document to implement the right-of-first-refusal, for implementation as a standard.

9. CPWG/How Group Recommended Revisions to the Pro Forma Tariff

a. Section 14.2—Reservation Priority

In the UBP NOPR, we considered recommendations from the CPWG/How Working Groups (in the June 19 Report) that adoption of certain recommended guides and standards might require modifications to section 14.2 of the *pro forma* tariff. Notwithstanding these concerns, we concluded, preliminarily, that adoption of the recommended Business Practices could be accomplished without the need to make any revisions to the *pro forma* tariff.

Comments

VEPCO filed the sole comments on this issue. VEPCO concurs with the proposal in the UBP NOPR to leave section 14.2 of the *pro forma* tariff unchanged, but seeks clarification as to whether transmission providers need to file revisions to their individual open access tariffs in order to implement the pre-confirmation procedures outlined in Standards 4.16, 4.25, and 4.26.¹⁷⁹

Discussion

In the UBP NOPR, the Commission found, preliminarily, that there was no compelling reason for changing section 14.2 of the *pro forma* tariff at this time. As none of the comments challenge this conclusion, we now adopt it as a finding of this Final Rule.

VEPCO requests that the Commission clarify its position on whether transmission providers must file revisions to their individual open access tariffs to implement the pre-confirmation proposals proposed in the UBP NOPR. VEPCO asserts,

a pre-confirmation procedure simply provides a mechanism by which to expedite the confirmation of an accepted request. In our view, pre-confirmation does not confer

¹⁷⁸ See discussion in section II.D.4.a.

¹⁷⁹ VEPCO Comments at 18.

any special rights to a request that it would enjoy either prior to or after acceptance of the request by the Transmission Provider.”¹⁸⁰

The Commission’s position on pre-confirmation, as applied to section 14.2 of the *pro forma* tariff, was described in our discussion of Standards 4.25 and 4.26, above. VEPCO’s position is not totally accurate. Pre-confirmation has certain ramifications. For example, Standard 4.25 provides that subsequent pre-confirmed requests for non-firm transmission service immediately preempt earlier lower-priced bid requests for the same duration service. However, we agree that there is some basis for VEPCO’s position. This can be illustrated in the above example, if we assume that the subsequent request is pre-confirmed. In this case, the subsequent request would preempt the earlier request because it has a higher bid price. However, without pre-confirmation, the earlier request would not be preempted until the subsequent request was confirmed, rather than upon acceptance by the transmission provider as is the case with pre-confirmation.

We stand by our earlier conclusion in the UBP NOPR that our policies on pre-confirmation (that we are here adopting in Standards 4.16, 4.25, and 4.26) do not necessitate revisions to section 14.2 of the *pro forma* tariff, because, as we stated in the UBP NOPR, we do not view pre-confirmation to be in conflict with the *pro forma* tariff.

Finally, in response to VEPCO’s request for clarification, on further consideration, we do not believe that transmission providers need to file any revisions to their individual Open Access Tariffs to accept pre-confirmed requests for transmission service.

b. Section 14.7—Curtailement or Interruption of Service

In the UBP NOPR, we stated that we were not persuaded to make any modifications to section 14.7 of the *pro forma* tariff at this time. This was discussed in the UBP NOPR and based on the consideration that the Uniform Business Practices recommended in the June 19 Report could be implemented without tariff changes.

Comments

VEPCO concurs with the Commission’s conclusion not to make changes to section 14.7 of the *pro forma* tariff.

Discussion

The Commission maintains its conclusion proposed in the UBP NOPR that there is no compelling reason for

changing section 14.7 of the *pro forma* tariff at this time. None of the comments suggest otherwise.¹⁸¹

c. Section 17.5—Response to a Completed Application

In the UBP NOPR, we stated that we were not persuaded to make any modifications to section 17.5 of the *pro forma* tariff at this time. This was discussed in the UBP NOPR and based on the consideration that the Uniform Business Practices recommended in the June 19 Report could be implemented without tariff changes.

Comments

VEPCO agrees with the Commission’s decision not to make changes to section 17.5 of the *pro forma* tariff. VEPCO filed the sole comments on this issue.

Discussion

The Commission maintains its conclusion proposed in the UBP NOPR that there is no compelling reason for changing section 17.5 of the *pro forma* tariff at this time. None of the comments suggested otherwise.

III. Regulatory Flexibility Act

The Regulatory Flexibility Act (RFA),¹⁸² requires the Commission to describe the impact that any proposed or final rule would have on small entities or to certify that the rule, if promulgated, will not have a significant economic impact on a substantial number of small entities.

The mandatory standards adopted in this Final Rule are applicable to the same entities subject to the requirements of the OASIS Final Rule (*i.e.*, public utilities).¹⁸³ Those entities exempt from the requirement to conduct business on the OASIS are likewise exempt from the requirements of this Final Rule.

Moreover, as we explained in Order No. 889–A, under appropriate circumstances the Commission will grant waiver of the OASIS Final Rule requirements to small public utilities. We further explained that the Commission’s waiver policy follows the SBA definition of small electric utility¹⁸⁴ and that 34 small entities had

¹⁸¹ We note that in section II.D.4.d, above, we found that Standards 4.22 and 4.23 are not in conflict with section 14.7 of the *pro forma* tariff and that adoption of Standards 4.22 and 4.23 does not necessitate any revision of section 14.7 of the *pro forma* tariff.

¹⁸² 5 U.S.C. 601–612.

¹⁸³ In the OASIS Final Rule, we noted that the entities that would have to comply with the OASIS Final Rule are public utilities. See Order No. 899–A, FERC Stats. & Regs. ¶ 31,049 at 30,578.

¹⁸⁴ See 5 U.S.C. 601(3), 5 U.S.C. 601(6), and 15 U.S.C. 632(a). The RFA defines a small entity as one

received waivers of the requirement to establish and maintain an OASIS and five small entities had received waivers of the OASIS Standards of Conduct requirements.¹⁸⁵ These decisions show that the Commission carefully evaluates the effect of the OASIS Final Rule on small electric utilities and is granting waivers where appropriate, thus mitigating the effect of that rule on small public and non-public utilities.

This Final Rule merely increases the uniformity of the business practices public utilities already have adopted to comply with Order Nos. 888 and 889 and other Commission orders. This being the case, under section 605(b) of RFA, the Commission hereby certifies that this Final Rule will not have a significant economic impact on a substantial number of small entities within the meaning of RFA. Accordingly, no regulatory flexibility analysis is required pursuant to section 603 of RFA.

IV. Environmental Statement

Commission regulations require that an environmental assessment or an environmental impact statement be prepared for a Commission action that may have a significant effect on the human environment.¹⁸⁶ In the Commission’s view, the environmental impact of this proposal is negligible. Transmission providers necessarily already follow business practices in conducting their OASIS transactions. This proposal merely adds some uniformity to the process. Accordingly, we find that this Final Rule does not propose any action that may have a significant effect on the human environment and that no environmental impact statement is required.

V. Public Reporting Burden

This final rule adopts a set of uniform business practices, as set out in the accompanying BPS, that requires transmission providers to comply with

that is independently owned and not dominant in its field of operation. See 15 U.S.C. 632(a). The Small Business Administration defines a small electric utility as one that disposes of 4 million MWh or less of electric energy in a given year. See 13 CFR 121.601 (Major Group 49—Electric, Gas and Sanitary Services).

In the Open Access Final Rule, we concluded that, under these definitions, the Open Access Final Rule and the OASIS Final Rule would not have a significant economic impact on a substantial number of small entities. We reaffirmed that conclusion in Order Nos. 888–A and 889–A.

¹⁸⁵ See Order No. 889–A, FERC Stats. & Regs. ¶ 31,049 at 30,578.

¹⁸⁶ Regulations Implementing National Environmental Policy Act, Order No. 486, 52 FR 47897 (Dec. 17, 1987); 1986–90 Regs. Preambles FERC Stats. & Regs. ¶ 30,783 (Dec. 10, 1987) (*codified* at 18 CFR Part 380).

¹⁸⁰ *Id.*

the Commission's policies on transmission service price negotiation and that governs interactions between transmission providers and customers over OASIS nodes. By necessity, transmission providers already follow business practices in operating their OASIS nodes. This final rule makes these practices more uniform across the industry.

This final rule retains the burden estimate used in the UBP NOPR. The UBP NOPR incorporated the Commission's burden estimate in Docket No. IC99-717-000 because it covered all information collected under the requirements of FERC-717 "Open Access Same-Time Information System and Standards of Conduct" (OMB No. 1902-173) from December 1998-December 2001, including the implementation of OASIS Phase IA and any information collected under the UBP NOPR.¹⁸⁷

None of the 19 comments filed in response to the UBP NOPR took issue with the burden estimate. However, on February 5, 1999, EEI filed comments with OMB in Docket No. IC99-717-000 arguing that the Commission understated companies' overall OASIS cost-projections and citing instances where companies incurred higher costs than projected in that proceeding. On May 12, 1999, the Commission filed a response with OMB to EEI's comments where we acknowledged that some customers may have had higher costs than estimated in FERC-717 but that EEI had not shown that these higher costs were typical or that the Commission's projections were not valid on a composite basis. We also explained that a part of these higher costs was attributable to start-up costs (which are always higher) and that start-up costs had been excluded from the Commission's projections. After a review of these comments, OMB approved the Commission's OASIS burden estimate on August 18, 1999.

Internal Review

For this final rule, we again are relying on the Commission's burden estimate in Docket No. IC99-717-000 as our burden estimate, as we did with the UBP NOPR, because the burden estimate in Docket No. IC99-717-000 covers all information collected under the requirements of FERC-717 "Open Access Same-Time Information System and Standards of Conduct" (OMB No. 1902-0173). After conducting an internal review of the public reporting burden imposed by this final rule, we are convinced, by means of our internal

review, that there is specific, objective support for this information burden estimate. Moreover, the Commission has reviewed the collection of information adopted in this final rule and has determined that this collection of information is necessary and conforms to the Commission's plan, as described in this order, for the collection, efficient management, and use of the required information.¹⁸⁸

VI. Information Collection Statement

Based on our experience in OASIS implementation over the past four years, the Commission has refined the estimate of reporting entities covered by OASIS regulations. Our latest estimate is that 140 respondents are required to collect information under the OASIS regulations. However, as discussed above, this Final Rule does not impose any new information collection burdens. Collectively, the OASIS rulemaking information collection is covered by FERC-717 as covered by our December 1, 1998 proposed information collection and request for comments in Docket No. IC99-717-000, as follows:

Information Collection Statement:

Title: FERC-717, Open Access Same-time Information Systems and Standards of Conduct.

Action: Proposed Collection.

OMB Control No.: 1902-0173.

Respondents: Business or other for profit, including small business.

Frequency of Responses: On Occasion.

Necessity of the information: The Final Rule issues uniform business practices for OASIS Phase IA transactions and path name conventions, replaces the Data Dictionary Element "ANC SERVICE TYPE" in the OASIS Standards and Communication Protocols Document (Version 1.3) with the term "AS TYPE," and clarifies the terms "DISPLACED," "SUPERSEDED," and "REFUSED" in the Data Dictionary Element and section 4.2.10.2 of the S&CP Document. These requirements are intended to support arrangements made for wholesale sales and purchases for third parties. Public utilities and/or their agents will operate under more uniform business practices, which will improve the operation of OASIS sites.

Regulations of the Office of Management and Budget (OMB)¹⁸⁹ require OMB to approve certain information collection requirements imposed by agency rule. The information collection requirements in this Final Rule will be reported directly

to transmission users and will be subject to subsequent audit by the Commission. The distribution of these data will help the Commission carry out its responsibilities under Part II of the FPA.

The Commission is submitting notification of this Final Rule to OMB. Persons wishing to comment on the collections of information proposed by this Final Rule should direct their comments to: Desk Officer for FERC, OMB, Room 10202 NEOB, Washington, D.C. 20503, phone 202-395-3087, facsimile 202-395-7285. Comments must be filed with OMB within 30 days of publication of this document in the **Federal Register**. Three copies of any comments filed with OMB should be sent to the following address: Mr. David P. Boergers, Secretary, Federal Energy Regulatory Commission, Room 1A, 888 First Street, NE, Washington, DC 20426. For further information on the reporting requirements, contact Michael Miller at (202) 208-1415.

VII. Effective Date and Congressional Notification

This rule will take effect May 30, 2000. The Commission has determined, with the concurrence of the Administrator of the Office of Information and Regulatory Affairs of the Office of Management and Budget, that this Rule is not a "major rule" within the meaning of section 351 of the Small Business Regulatory Enforcement Act of 1996.¹⁹⁰

The Rule will be submitted to both Houses of Congress and the Comptroller General prior to its publication in the **Federal Register**.

VIII. Document Availability

In addition to publishing the full text of this document in the **Federal Register**, the Commission provides all interested persons an opportunity to view and/or print the contents of this document via the Internet through FERC's Home Page (<http://www.ferc.fed.us>) and in FERC's Public Reference Room during normal business hours (8:30 a.m. to 5:00 p.m. Eastern time) at 888 First Street, NE, Room 2A, Washington, DC 20426.

From FERC's Home Page on the Internet, this information is available in both the Commission Issuance Posting System (CIPS) and the Records and Information Management System (RIMS).

—CIPS provides access to the texts of formal documents issued by the Commission since November 14, 1994.

¹⁸⁸ See 44 U.S.C. 3506(c).

¹⁸⁹ 5 CFR 1320.11.

¹⁹⁰ 5 U.S.C. 804(2).

¹⁸⁷ UBP NOPR at 33,605.

—CIPS can be accessed using the CIPS link or the Energy Information Online icon. The full text of this document is available on CIPS in ASCII and WordPerfect 8.0 format for viewing, printing, and/or downloading.

—RIMS contains images of documents submitted to and issued by the Commission after November 16, 1981. Documents from November 1995 to the present can be viewed and printed from FERC's Home Page using the RIMS link or the Energy Information Online icon. Descriptions of documents back to November 16, 1981, are also available from RIMS-on-the-Web; requests for copies of these and other older documents should be submitted to the Public Reference Room.

User assistance is available for RIMS, CIPS, and the Website during normal business hours from our Help line at (202) 208-2222 (E-Mail to WebMaster@ferc.fed.us) or the Public Reference at (202) 208-1371 (E-Mail to public.referenceroom@ferc.fed.us).

During normal business hours, documents can also be viewed and/or printed in FERC's Public Reference Room, where RIMS, CIPS, and the FERC Website are available. User assistance is also available.

List of Subjects in 18 CFR Part 37

Conflict of interests, Electric power plants, Electric utilities, Reporting and recordkeeping requirements.

By the Commission. Commissioner Hebert concurred with a separate statement attached.

David P. Boergers,
Secretary.

In consideration of the foregoing, the Commission hereby adopts the attached "Business Practice Standards for Open Access Same-time Information System (OASIS) Transactions" and amends Part 37 in Chapter I, Title 18, Code of Federal Regulations, as set forth below.

PART 37—OPEN ACCESS SAME-TIME INFORMATION SYSTEMS AND STANDARDS OF CONDUCT FOR PUBLIC UTILITIES

1. The authority citation for part 37 continues to read as follows:

Authority: 16 U.S.C. 791-825r, 2601-2645; 31 U.S.C. 9701; 42 U.S.C. 7101-7352.

2. Section 37.5 is amended by revising paragraph (b) to read as follows:

§ 37.5 Obligations of Transmission Providers and Responsible Parties.

* * * * *

(b) A Responsible Party must:

(1) Provide access to an OASIS providing standardized information relevant to the availability of transmission capacity, prices, and other information (as described in this Part) pertaining to the transmission system for which it is responsible;

(2) Operate the OASIS in compliance with the standardized procedures and protocols found in *OASIS Standards and Communication Protocols*, which can be obtained from the Public Reference and Files Maintenance Branch, Room 2A, Federal Energy Regulatory Commission, 888 First Street NE, Washington, DC 20426; and

(3) Operate the OASIS in compliance with the *Business Practice Standards for Open Access Same-time Information System (OASIS) Transactions*, which can be obtained at the same address as provided in paragraph (b)(2) of this section.

* * * * *

Note: This attachment will not appear in the Code of Federal Regulations.

Attachment A.—Federal Energy Regulatory Commission Business Practice Standards for Open Access Same-Time Information System (OASIS) Transactions

Version 1.1 (Issued February 25, 2000)

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Section 1—Introduction

This document contains business practice standards designed to implement the Commission's policy related to on-line price negotiation and to improve the commercial operation of the Open Access Same-Time Information System (OASIS).

Section 1.1 Business Practice Standards

This document adopts OASIS business practice standards as mandatory requirements.

Section 2—Standard Terminology for Transmission and Ancillary Services

Section 2.1 Attribute Values Defining the Period of Service

The data templates of the Phase IA Standards & Communication Protocols (S&CP) Document have been developed with the use of standard service attributes in mind. What the Phase IA S&CP Document does not offer are specific definitions for each attribute value. This section offers standards for these service attribute definitions to be used in conjunction with the Phase IA data templates.

"Fixed" services are associated with transmission services whose periods align with calendar periods such as a day, week, or month. "Sliding" services are fixed in duration, such as a week or month, but the start and stop time may slide. For example a "sliding" week could start on Tuesday and end on the following Monday. "Extended" allows for services in which the start time may "slide" and also the duration may be longer than a standard length. For example an "extended" week of service could be nine consecutive days. Various transmission service offerings using these terms are defined in Standards 2.1.1 through 2.1.13 below.

Table 1-1 identifies the definitions that are proposed as standard terminology in OASIS Phase IA for the attributes SERVICE INCREMENT (Hourly, Daily, Weekly, Monthly, and Yearly) and WINDOW (Fixed, Sliding, and Extended). A definition is required for each combination of SERVICE INCREMENT and WINDOW, except Hourly Sliding and Hourly Extended, which, at the present, are not sufficiently common in the market to require standard definitions.

TABLE 1-1.—STANDARD SERVICE ATTRIBUTE DEFINITIONS REQUIRED IN PHASE IA

	Fixed	Sliding	Ex- tended ¹
Hourly	X	N/A	N/A
Daily	X	X	X
Weekly	X	X	X
Monthly	X	X	X
Yearly	X	X	X

¹ Included in the Phase IA S&CP Data Dictionary, Version 1.3, issued September 29, 1998.

The existence of a definition in this table does not imply the services must be offered by a Transmission Provider. Requirements as to which services must be offered are defined by regulation and tariffs.

Each definition assumes a single time zone specified by the Transmission Provider. It is recognized that daylight time switches must be accommodated in practice, but they have been omitted in the definitions for the purpose of simplicity.

Standard 2.1: A Transmission Provider shall use the values and definitions below for the attributes Service Increment and Window for all transmission services offered on OASIS, or shall post alternative attribute values and associated definitions on the OASIS Home Page at www.tsin.com, or shall use existing attribute values and definitions posted by other Transmission Providers. (See Section 3 for registration requirements.)

Standard 2.1.1: Fixed Hourly—The service starts at the beginning of a clock hour and stops at the end of a clock hour.

Standard 2.1.2: Fixed Daily—The service starts at 00:00 and stops at 24:00 of the same calendar date (same as 00:00 of the next consecutive calendar date).

Standard 2.1.3: Fixed Weekly—The service starts at 00:00 on Monday and stops at 24:00 of the following Sunday (same as 00:00 of the following Monday).

Standard 2.1.4: Fixed Monthly—The service starts at 00:00 on the first date of a calendar month and stops at 24:00 on the last date of the same calendar month (same as 00:00 of the first date of the next consecutive month).

Standard 2.1.5: Fixed Yearly—The service starts at 00:00 on the first date of a calendar year and ends at 24:00 on the last date of the same calendar year (same as 00:00 of the first date of the next consecutive year).

Standard 2.1.6: Sliding Daily—The service starts at the beginning of any hour of the day and stops exactly 24 hours later at the same time on the next day.

Standard 2.1.7: Sliding Weekly—The service starts at 00:00 of any date and stops exactly 168 hours later at 00:00 on the same day of the next week.

Standard 2.1.8: Sliding Monthly—The service starts at 00:00 of any date and stops

at 00:00 on the same date of the next month (28–31 days later). If there is no corresponding date in the following month, the service stops at 24:00 on the last day of the next month.

For example: Sliding Monthly starting at 00:00 on January 30 would stop at 24:00 on February 28 (same as 00:00 March 1).

Standard 2.1.9: Sliding Yearly—The service starts at 00:00 of any date and stops at 00:00 on the same date of the following year. If there is no corresponding date in the following year, the service stops at 24:00 on the last day of the same month in the following year.

For example Sliding Yearly service starting on February 29 would stop on February 28 of the following year.

Standard 2.1.10: Extended Daily—The service starts at any hour of a day and stops more than 24 hours later and less than 168 hours later.

Standard 2.1.11: Extended Weekly—The service starts at 00:00 of any date and stops at 00:00 more than one week later, but less than four weeks later.

Standard 2.1.12: Extended Monthly—The service starts at 00:00 of any date and stops at 00:00 more than one month later, but less than twelve months later.

Standard 2.1.13: Extended Yearly—The service starts at 00:00 of any date and stops at 00:00 more than one year later, but must be requested in increments of full years.

Section 2.2 Attribute Values Defining Service Class

Standard 2.2: A Transmission Provider shall use the values and definitions below to describe the service CLASS for transmission services offered on OASIS, or shall post alternative attribute values and associated definitions on the OASIS Home Page at www.tsin.com, or shall use the attribute values and definitions posted by other Transmission Providers. (See Section 3 for registration requirements.)

Standard 2.2.1: Firm—Transmission service that always has priority over NON-FIRM transmission service and includes Native Load Customers, Network Customers, and any transmission service not classified as non-firm in accordance with the definitions in the *pro forma* tariff.

Standard 2.2.2: Non-Firm—Transmission service that is reserved and/or scheduled on an as-available basis and is subject to curtailment or interruption at a lesser priority compared to Firm transmission service, including Native Load Customers and Network Customers, in accordance with the definitions in the *pro forma* tariff.

Section 2.3 Attribute Values Defining Service Types

Standard 2.3: A Transmission Provider shall use the values and definitions below to describe the service TYPE for transmission services offered on OASIS, or shall post alternative attribute values and associated definitions on the OASIS Home Page at

www.tsin.com, or shall use the attribute values and definitions posted by other Transmission Providers. (See Section 3 for registration requirements.)

Standard 2.3.1: Point-to-point (PTP)—Transmission service that is reserved and/or scheduled between specified Points of Receipt and Delivery pursuant to Part II of the *pro forma* tariff and in accordance with the definitions in the *pro forma* tariff.

Standard 2.3.2: Network—Network Integration Transmission Service that is provided to serve a Network Customer load pursuant to Part III of the *pro forma* tariff and in accordance with the definitions in the *pro forma* tariff.

Section 2.4 Curtailment Priorities

Standard 2.4: A Transmission Provider that has adopted NERC TLR Procedures shall use the curtailment priority definitions contained in NERC TLR Procedures for NERC CURTAILMENT PRIORITY (1–7) for all transmission services offered on OASIS. A Transmission Provider that has adopted alternative curtailment procedures shall post its alternative attribute values and associated definitions on the OASIS Home Page at www.tsin.com, or shall use attribute values and definitions posted by another Transmission Provider. (See Section 3 for registration requirements.)

Section 2.5 Other Service Attribute Values

The Commission has defined six ancillary services in Order No. 888. Other services may be offered pursuant to filed tariffs.

Standard 2.5: A Transmission Provider shall use the definitions below to describe the AS TYPES offered on OASIS, or shall post alternative attribute values and associated definitions on the OASIS Home Page at www.tsin.com, or shall use attribute values and definitions posted by another Transmission Provider. (See Section 3 for registration requirements.)

FERC Ancillary Services Definitions

Standard 2.5.1: Scheduling, System Control and Dispatch Service (SC)—is necessary to the provision of basic transmission service within every control area. This service can be provided only by the operator of the control area in which the transmission facilities used are located. This is because the service is to schedule the movement of power through, out of, within, or into the control area. This service also includes the dispatch of generating resources to maintain generation/load balance and maintain security during the transaction and in accordance with section 3.1 (and Schedule 1) of the *pro forma* tariff.

Standard 2.5.2: Reactive Supply and Voltage Control from Generation Sources Service (RV)—is the provision of reactive power and voltage control by generating

facilities under the control of the control area operator. This service is necessary to the provision of basic transmission service within every control area and in accordance with section 3.2 (and Schedule 2) of the *pro forma* tariff.

Standard 2.5.3: Regulation and Frequency Response Service (RF)—is provided for transmission within or into the transmission provider's control area to serve load in the area. Customers may be able to satisfy the regulation service obligation by providing generation with automatic generation control capabilities to the control area in which the load resides and in accordance with section 3.3 (and Schedule 3) of the *pro forma* tariff.

Standard 2.5.4: Energy Imbalance Service (EI)—is the service for transmission within and into the transmission provider's control area to serve load in the area. Energy imbalance represents the deviation between the scheduled and actual delivery of energy to a load in the local control area over a single hour and in accordance with section 3.4 (and Schedule 4) of the *pro forma* tariff.

Standard 2.5.5: Operating Reserve—Spinning Reserve Service (SP)—is provided by generating units that are on-line and loaded at less than maximum output. They are available to serve load immediately in an unexpected contingency, such as an unplanned outage of a generating unit and in accordance with section 3.5 (and Schedule 5) of the *pro forma* tariff.

Standard 2.5.6: Operating Reserve—Supplemental Reserve Service (SU)—is generating capacity that can be used to respond to contingency situations. Supplemental reserve is not available instantaneously, but rather within a short period (usually ten minutes). It is provided by generating units that are on-line but unloaded, by quick-start generation, and by customer interrupted load and in accordance with section 3.6 (and Schedule 6) of the *pro forma* tariff.

Other Service Definitions

Other services may be offered to Transmission Customers through Commission-approved revisions to their individual open access tariffs. Examples of other services that may be offered include the Interconnected Operations Services described below in Standards 2.5.7, 2.5.8, and 2.5.9. Ancillary service definitions may be offered pursuant to an individual transmission provider's specific tariff filings.

Standard 2.5.7: Dynamic Transfer (DT)—is the provision of the real-time monitoring, telemetering, computer software, hardware, communications, engineering, and administration required to electronically move all or a portion of the real energy services associated with a generator or load out of its Host Control Area into a different Electronic Control Area.

Standard 2.5.8: Real Power Transmission Losses (TL)—is the provision of capacity and energy to replace energy losses associated with transmission service on the Transmission Provider's system.

Standard 2.5.9: System Black Start Capability (BS)—is the provision of generating equipment that, following a system blackout, is able to start without an

outside electrical supply. Furthermore, Black Start Capability is capable of being synchronized to the transmission system such that it can provide a startup supply source for other system capacity that can then be likewise synchronized to the transmission system to supply load as part of a process of re-energizing the transmission system.

Section 3—OASIS Registration Procedures

Section 3.1 Entity Registration

Operation of OASIS requires unambiguous identification of parties.

Standard 3.1: All entities or persons using OASIS shall register the identity of their organization (including DUNS number) or person at the OASIS Home Page at www.tsin.com. Registration identification shall include the parent entity (if any) of the registrant. Registration shall be a prerequisite to OASIS usage and renewed annually and whenever changes in identification occur and thereafter. An entity or person not complying with this requirement may be denied access by a transmission provider to that transmission provider's OASIS node.

The registration requirement applies to any entity logging onto OASIS for the purpose of using or updating information, including Transmission Providers, Transmission Customers, Observers, Control Areas, Security Coordinators, and Independent System Operators.

Section 3.2 Process To Register Non-Standard Service Attribute Values

Section 2 of the OASIS business practice standards addresses the use of standard terminology in defining services on OASIS. These standard definitions for service attribute values will be posted publicly on the OASIS Home Page at www.tsin.com and may be used by all Transmission Providers to offer transmission and ancillary services on OASIS. If the Transmission Provider determines that the standard definitions are not applicable, the Transmission Provider may register new attribute values and definitions on the OASIS Home Page. Any Transmission Provider may use the attribute values and definitions posted by another Transmission Provider.

Standard 3.2: Providers of transmission and ancillary services shall use only attribute values and definitions that have been registered on the OASIS Home Page at www.tsin.com for all transmission and ancillary services offered on their OASIS.

Standard 3.3: Providers of transmission and ancillary services should endeavor to use on their OASIS nodes attribute values and definitions that have been posted by other Transmission Providers on the OASIS Home Page at www.tsin.com whenever possible.

Section 3.3 Registration of Points of Receipt and Delivery

In order to improve coordination of path naming and to enhance the identification of commercially available connection points between

Transmission Providers and regions, the business practice for Phase IA OASIS requires that:

- Transmission Providers register at the OASIS Home Page at www.tsin.com, all service points (Points of Receipt and Delivery) for which transmission service is available over the OASIS.
- Each Transmission Provider would then indicate on its OASIS node, for each Path posted on its OASIS node, the Points of Receipt and Delivery to which each Path is connected.

A Transmission Provider is not required to register specific generating stations as Points of Receipt, unless they were available as service points for the purposes of reserving transmission service on OASIS. The requirement also does not include registration of regional flowgates, unless they are service points for the purposes of reserving transmission on OASIS.

Standard 3.4: A Transmission Provider shall register and thereafter maintain on the OASIS Home Page at www.tsin.com all Points of Receipt and Delivery to and from which a Transmission Customer may reserve and schedule transmission service.

Standard 3.5: For each reservable Path posted on their OASIS nodes, Transmission Providers shall indicate the available Point(s) of Receipt and Delivery for that Path. These Points of Receipt and Delivery shall be from the list registered on the OASIS Home Page at www.tsin.com.

Standard 3.6: When two or more Transmission Providers share common Points of Receipt or Delivery, or when a Path connects Points of Receipt and Delivery in neighboring systems, the Transmission Providers owning and/or operating those facilities should apply consistent names for those connecting paths or common paths on the OASIS.

Section 4—On-line Negotiation and Confirmation Process

Section 4.1 On-line Price Negotiation in Short-term Markets

Standard 4.1: Consistent with FERC policy and regulations, all reservations and price negotiations should be conducted on OASIS.

Standard 4.2: Reserved.

Standard 4.3: Reserved.

Section 4.2 Phase IA Negotiation Process State Transition Diagram

The Phase IA S&CP Document provides a process state diagram to define the Customer and Transmission Provider interactions for negotiating transmission service. This diagram defines allowable steps in the reservation request, negotiation, approval and confirmation.

Standard 4.4: The state diagram appearing in Exhibit 4-1 in Section 4.2.10.2 of the Version 1.3 of the S&CP Document constitutes a recommended business practice in OASIS Phase IA.

Standard 4.5: The definitions in Section 4.2.10.2 of the Version 1.3 of the S&CP Document (status values) should be applied to the process states in OASIS Phase IA.

Table 4-1 “Reserved.”

Section 4.3 Negotiations—Without Competing Bids

The following practices are defined in order to enhance consistency of the reservation process across OASIS Phase IA nodes.

Standard 4.6: A Transmission Provider/Seller shall respond to a Customer's service request, consistent with filed tariffs, within the "Provider Response Time Limit" defined in Table 4-2 "Reservation Timing Requirements." The time limit is measured from the time the request is QUEUED. A Transmission Provider may respond by setting the state of the reservation request to one of the following:

- INVALID
- DECLINED
- REFUSED
- COUNTEROFFER
- ACCEPTED
- STUDY (when the tariff allows), leading to REFUSED, COUNTEROFFER, or ACCEPTED.

Standard 4.7: Prior to setting a request to ACCEPTED, COUNTEROFFER, or REFUSED a Transmission Provider shall evaluate the appropriate resources and ascertain that the requested transfer capability is (or is not) available.

Standard 4.8: For any request that is REFUSED or INVALID, the Transmission Provider must indicate in the STATUS COMMENT field of the TRANSTATUS template the reason the request was refused or invalid.

Standard 4.9: The Customer may change a request from QUEUED, RECEIVED, STUDY, COUNTEROFFER, REBID, or ACCEPTED to WITHDRAWN at any time prior to CONFIRMED.

Standard 4.10: From ACCEPTED or COUNTEROFFER, a Customer may change the status to CONFIRMED or WITHDRAWN. In addition, a Customer may change the status from COUNTEROFFER to REBID. The Customer has the amount of time designated as "Customer Confirmation Time Limit" in Table 4-2 "Reservation Timing Requirements" to change the state of the

request to CONFIRMED. The Customer time limit is measured from the first time the request is moved to ACCEPTED or COUNTEROFFER, and is not reset with subsequent iterations of negotiation.

Standard 4.11: After expiration of the "Customer Confirmation Time Limit," specified in Table 4-2 "Reservation Timing Requirements," the Transmission Provider has a right to move the request to the RETRACTED state.

Standard 4.12: Should the Customer elect to respond to a Transmission Provider's COUNTEROFFER by moving a reservation request to REBID, the Transmission Provider shall respond by taking the request to a DECLINED, ACCEPTED, or COUNTEROFFER state within the "Provider Counter Time Limit," specified in Table 4-2 "Reservation Timing Requirements." The Transmission Provider response time is measured from the most recent REBID time.

Standard 4.13: The following timing requirements should apply to all reservation requests:

TABLE 4-2.—RESERVATION TIMING REQUIREMENTS

Class	Service increment	Time QUEUED prior to start	Provider evaluation time limit ¹	Customer confirmation time limit ² after ACCEPTED or COUNTEROFFER ³	Provider counter time limit after REBID ⁴
Non-Firm	Hourly	<1 hour	Best effort	5 minutes	5 minutes.
Non-Firm	Hourly	>1 hour	30 minutes	5 minutes	5 minutes.
Non-Firm	Hourly	Day ahead	30 minutes	30 minutes	10 minutes.
Non-Firm	Daily	N/A	30 minutes	2 hours	10 minutes.
Non-Firm	Weekly	N/A	4 hours	24 hours	4 hours.
Non-Firm	Monthly	N/A	2 days ⁵	24 hours	4 hours.
Firm	Daily	24 hours	Best effort	2 hours	30 minutes.
Firm	Daily	N/A	30 days ⁶	24 hours	4 hours.
Firm	Weekly	N/A	30 days ⁶	48 hours	4 hours.
Firm	Monthly	N/A	30 days ⁶	4 days	4 hours.
Firm	Yearly	≥60 days ⁷	30 days	15 days	4 hours.

Notes for Table 4-2:

¹ Consistent with regulations and filed tariffs, measurement starts at the time the request is QUEUED.

² Confirmation time limits are not to be interpreted to extend scheduling deadlines or to override preemption deadlines.

³ Measurement starts at the time the request is first moved to either ACCEPTED or COUNTEROFFER. The time limit does not reset on subsequent changes of state.

⁴ Measurement starts at the time the Transmission Customer changes the state to REBID. The measurement resets each time the request is changed to REBID.

⁵ Days are defined as calendar days.

⁶ Subject to expedited time requirements of Section 17.1 of the *pro forma* tariff. Transmission Providers should make best efforts to respond within 72 hours, or prior to the scheduling deadline, whichever is earlier, to a request for Daily Firm Service received during period 2-30 days ahead of the service start time.

⁷ Subject to Section 17.1 of the *pro forma* tariff, whenever feasible and on a non-discriminatory basis, transmission providers should accommodate requests made with less than 60 days notice.

Section 4.4 Negotiations—With Competing Bids for Constrained Resources

Competing bids exist when multiple requests cannot be accommodated due to a lack of available transmission capacity. One general rule is that OASIS requests should be evaluated and granted priority on a first-come-first-served basis established by OASIS QUEUED time. Thus, the first to request service should get it, all else being equal.

Exceptions to this first-come-first-served basis occur when there are competing requests for limited resources

and the requests have different priorities established by FERC regulations and filed tariffs. Prior to the introduction of price negotiations, the attribute values that have served as a basis for determining priority include:

- Type (Network, Point-to-point)
 - Class (Firm, Non-Firm)
 - Increment (Hourly, Daily, Weekly, Monthly, Yearly)
 - Duration (the amount of time between the Start Date and the Stop Date)
 - Amount (the MW amount)
- Under a negotiation model, price can also be used as an attribute for

determining priority. The negotiation process increases the possibility that a Transmission Provider will be evaluating multiple requests that cannot all be accommodated due to limited resources. In this scenario, it is possible that an unconfirmed request with an earlier QUEUED time could be preempted (SUPERSEDED). For this to occur, the subsequent request would be of higher priority or of greater price.

Standard 4.14: Consistent with regulations and filed tariffs, the following are recommended relative priorities of Service Request Tiers. Specific exceptions may exist in accordance with filed tariffs. The priorities

refer only to negotiation of service and do not refer to curtailment priority.
 4.4.1. Service Request Tier 1: Native load, Network, or Long-term Firm
 4.4.2. Service Request Tier 2: Short-term Firm
 4.4.3. Service Request Tier 3: Network Service From Non-designated Resources

4.4.4. Service Request Tier 4: Non-firm
 4.4.5. Service Request Tier 5: Non-firm Point-to-point Service over secondary receipt and delivery points
 Standard 4.15: Consistent with regulations and filed tariffs, reservation requests should be handled in a first-come-first-served order based on QUEUE TIME.

Standard 4.16: Consistent with regulations and filed tariffs, Table 4-3 describes the relative priorities of competing service requests and rules for offering right-of-first-refusal. While the table indicates the relative priorities of two competing requests, it also is intended to be applied in the more general case of more than two competing requests.

TABLE 4-3.—PRIORITIES FOR COMPETING RESERVATION REQUESTS
 [Note: The term Tier is introduced to avoid confusion with existing terms such as TS CLASS.]

Row	Request 1	Is preempted by request 2	Right of first refusal
1	Tier 1: Long-term Firm, Native Load, and Network Firm.	N/A—Not preempted by a subsequent request	N/A
2	Tier 2: Short-term Firm	Tier 1: Long-term Firm, Native Load, and Network Firm, while Request 1 is conditional. Once Request 1 is unconditional, it may not be preempted.	No.
3	Tier 2: Short-term Firm	Tier 2: Short-term Firm of longer term (duration), while Request 1 is conditional. Once Request 1 is unconditional, it may not be preempted ¹ .	Yes, while Request 1 is conditional. Once Request 1 is unconditional, it may not be preempted and right of first refusal is not applicable.
4	Tier 3: Network Service From Non-Designated Resources.	Tiers 1 and 2: All Firm (including Network)	No.
5	Tier 4: All Non-Firm PTP	Tiers 1 and 2: All Firm (including Network)	No.
6	Tier 4: All Non-Firm PTP	Tier 3: Network Service from Non-Designated Resources	No.
7	Tier 4: All Non-Firm PTP	Tier 4: Non-firm PTP of a longer term (duration). ¹ Except in the last hour prior to start (See Standard 4.23).	Yes. ²
8	Tier 4: All Non-Firm PTP	Tier 4: Non-firm PTP of equal term (duration) ¹ and higher price, when Request 1 is still unconfirmed and Request 2 is received pre-confirmed. A confirmed non-firm PTP may not be preempted for another non-firm request of equal duration. (See Standards 4.22 and 4.25.)	Yes.
9	Tier 5: Non-firm PTP Service over secondary receipt and delivery points.	Tier 5 can be preempted by Tiers 1 through 4	No.

¹ Longer duration, in addition to being higher SERVICE INCREMENT (i.e., WEEKLY has priority over DAILY), also may mean more multiples of the same SERVICE INCREMENT (i.e., 3 days may have priority over 2 days). Multiple service increments must be at the same level of capacity.

² Right of first refusal applies only to confirmed requests.

Standard 4.17: For a reservation request that is preempted, the Transmission Provider must indicate the Assignment Reference Number of the reservation that preempted the reservation request in the Seller Comment field of the preempted request.

Standard 4.18: Given competing requests for a limited resource and a right-of-first-refusal is not required to be offered, the Transmission Provider may immediately move requests in the CONFIRMED state to DISPLACED, or from an ACCEPTED or COUNTEROFFER state to SUPERSEDED, if the competing request is of higher priority, based on the rules represented in Table 4-3. These state changes require dynamic notification to the Customer if the Customer has requested dynamic notification on OASIS.

Standard 4.19: In those cases where right-of-first-refusal is required to be offered, the Transmission Provider shall notify the Customer, through the use of a COUNTEROFFER, of the opportunity to match the subsequent offer.

Standard 4.20: A Customer who has been extended a right-of-first-refusal should have

a confirmation time limit equal to the lesser of (a) the Customer Confirmation Time Limit in Table 4-2 or (b) 24 hours.

Standard 4.21: A Transmission Provider shall apply all rights-of-first-refusal in a non-discriminatory and open manner for all Customers.

Standard 4.22: Once a non-firm PTP request has been confirmed, it shall not be displaced by a subsequent non-firm PTP request of equal duration and higher price.

Standard 4.23: A confirmed, non-firm PTP reservation for the next hour shall not be displaced within one hour of the start of the reservation by a subsequent non-firm PTP reservation request of longer duration.

Standard 4.24: A Transmission Provider should accept any reservation request submitted for an unconstrained Path if the Customer's bid price is equal to or greater than the Transmission Provider's posted offer price at the time the request was queued, even if later requests are submitted at a higher price. This standard applies even when the first request is still unconfirmed, unless the Customer Confirmation Time Limit has expired for the first request.

Standard 4.25: Once an offer to provide non-firm PTP transmission service at a given price is extended to a Customer by the Transmission Provider, and while this first request is still unconfirmed but within the Customer Confirmation Time Limit, the Transmission Provider should not preempt or otherwise alter the status of that first request on receipt of a subsequent request of the same Tier and equal duration at a higher price, unless the subsequent request is submitted as pre-confirmed.

Standard 4.26: If during a negotiation of service (i.e., prior to Customer confirmation) a subsequent pre-confirmed request for service over the same limited resource of equal duration but higher price is received, the Transmission Provider must COUNTEROFFER the price of service on the prior COUNTEROFFER or ACCEPTED price to match the competing offer, in order to give the first Customer an opportunity to match the offer. This practice must be implemented in a non-discriminatory manner.

Section 5—Procurement of Ancillary and Other Services

Section 5.1 Introduction

Phase IA OASIS data templates allow the coupling of ancillary service arrangements with the purchase of transmission service for the purpose of simplifying the overall process for Customers. Transmission Providers must indicate (consistent with filed tariffs), which services are MANDATORY (must be taken from the Primary Transmission Provider), REQUIRED (must be provided for but may be procured from alternative sources), or OPTIONAL (not required as a condition of transmission service).

The Transmission Customer should make known to the Transmission Provider at the time of the reservation request certain options related to arrangement of ancillary services. The Transmission Customer may indicate:

- I will take all the MANDATORY and REQUIRED ancillary services from the Primary Transmission Provider.
- I will take REQUIRED ancillary services from Third Party Seller "X".
- I would like to purchase OPTIONAL services.

• I will self provide ancillary services.

• I will arrange for ancillary services in the future (prior to scheduling).

While these interactions are available in the Phase IA S&CP Document, there is a need to clarify the associated business practices. The standards in Section 5 apply to services defined in filed tariffs.

Section 5.2 Transmission Provider Requirements

Standard 5.1: The Transmission Provider shall designate which ancillary services are MANDATORY, REQUIRED, or OPTIONAL for each offered transmission service or each transmission path to the extent these requirements can be determined in advance of the submittal of a reservation request on a specific Path by a Transmission Customer.

Standard 5.2: A Transmission Provider shall modify a Transmission Customer's service request to indicate the Transmission Provider as the SELLER of any ancillary service, which is MANDATORY, to be taken from the Transmission Provider.

Standard 5.3: For REQUIRED and OPTIONAL services, the Transmission Provider shall *not* select a SELLER of ancillary service without the Transmission Customer first selecting that SELLER.

Standard 5.4: A Transmission Provider may accept a Transmission Customer's request for an ancillary service, which is not MANDATORY or REQUIRED, but shall indicate to the Transmission Customer at the time of acceptance under PROVIDER COMMENTS that the service is not MANDATORY or REQUIRED.

Section 5.3 Transmission Customer Requirements

Standard 5.5: The Transmission Customer should indicate with the submittal of a transmission reservation request, the preferred options for provision of ancillary services, such as the desire to use an alternative resource. The Transmission Provider shall post itself as the default ancillary service provider, if a Transmission Customer fails to indicate a third party SELLER of ancillary services. However, the Transmission Customer may change this designation at a later date, so long as this change is made prior to the Transmission Provider's scheduling deadline.

Standard 5.6: A Transmission Customer may, but is not required to, indicate a third party SELLER of ancillary services, if these services are arranged by the Transmission Customer off the OASIS and if such arrangements are permitted by the Transmission Provider's tariff. The Transmission Provider shall post itself as the default ancillary service provider, if a Transmission Customer fails to indicate a third party SELLER of ancillary services. However, the Transmission Customer may change this designation at a later date, so long as this change is made prior to the Transmission Provider's scheduling deadline.

Section 6—Pathnaming Standards

Section 6.1 Introduction

The Data Element Dictionary of the OASIS S&CP Document, Version 1.3, defines a path name in terms of a 50-character alphanumeric string:

RR/TPTP/PATHPATHPATH/
OPTIONALFROM-OPTIONALTOTO/
SPR

RegionCode/
TransmissionProviderCode/PathName/
OptionalFrom-To(POR-POD)/Spare

This definition leaves it to the Transmission Providers to name the paths from their own perspective. The following standards provide an unambiguous convention for naming paths and will produce more consistent path names.

Section 6.2 Transmission Provider Requirements

Standard 6.1: A transmission provider shall use the path naming convention defined in the S&CP Data Dictionary for the naming of all reservable paths posted on OASIS.

Standard 6.2: A transmission provider shall use the third field in the path name to indicate the sending and receiving control areas. The control areas shall be designated using standard NERC codes for the control areas, separated by a hyphen. For example, the first three fields of the path name will be:
RR/TPTP/CAXX-CAYY/

Standard 6.3: A transmission provider shall use the fourth field of the path name

to indicate POR and POD separated by a hyphen. For example, a path with a specific POR/POD would be shown as:

RR/TPTP/CAXX-CAYY/PORPORPORPOR-
PODPODPODPOD/

If the POR and POD are designated as control areas, then the fourth field may be left blank (as per the example in 6.2).

Standard 6.4: A transmission provider may designate a sub-level for Points of Receipt and Delivery. For example, a customer reserves a path to POD AAAA. The ultimate load may be indeterminate at the time. Later, the customer schedules energy to flow to a particular load that may be designated by the transmission provider as a sub-level Point of Delivery. This option is necessary to ensure certain transmission providers are not precluded from using more specific service points by the inclusion of the POR/POD in the path name. All sub-level PORs and PODs must be registered as such on www.tsin.com.

[Note: This attachment will not appear in the Code of Federal Regulations.]

Sections 13.2, 14.2, 14.7, and 17.5 of the *pro forma* tariff provide as follows:

13.2 Reservation Priority: Long-Term Firm Point-To-Point Transmission Service shall be available on a first-come, first-served basis i.e., in the chronological sequence in which each Transmission Customer has reserved service. Reservations for Short-Term Firm Point-To-Point Transmission Service will be conditional based upon the length of the requested transaction. If the Transmission System becomes oversubscribed, requests for longer term service may preempt requests for shorter term service up to the following deadlines; one day before the commencement of daily service, one week before the commencement of weekly service, and one month before the commencement of monthly service. Before the conditional reservation deadline, if available transmission capability is insufficient to satisfy all Applications, an Eligible Customer with a reservation for shorter term service has the right of first refusal to match any longer term reservation before losing its reservation priority. A longer term competing request for Short-Term Firm Point-To-Point Transmission Service will be granted if the Eligible Customer with the right of first refusal does not agree to match the competing request within 24 hours (or earlier if necessary to comply with the scheduling deadlines provided in section 13.8) from being notified by the Transmission Provider of a longer-term competing request for Short-Term Firm Point-To-Point Transmission Service. After the conditional reservation deadline, service will commence pursuant to the terms of Part II of the Tariff. Firm Point-To-Point Transmission Service will always have a reservation priority over Non-Firm Point-To-Point Transmission Service under the Tariff. All Long-Term Firm Point-To-Point Transmission Service will have equal reservation priority with Native Load Customers and Network Customers. Reservation priorities for existing firm service customers are provided in Section 2.2.

14.2 Reservation Priority: Non-Firm Point-To-Point Transmission Service shall be

available from transmission capability in excess of that needed for reliable service to Native Load Customers, Network Customers and other Transmission Customers taking Long-Term and Short-Term Firm Point-To-Point Transmission Service. A higher priority will be assigned to reservations with a longer duration of service. In the event the Transmission System is constrained, competing requests of equal duration will be prioritized based on the highest price offered by the Eligible Customer for the Transmission Service. Eligible Customers that have already reserved shorter term service have the right of first refusal to match any longer term reservation before being preempted. A longer-term competing request for Non-Firm Point-To-Point Transmission Service will be granted if the Eligible Customer with the right of first refusal does not agree to match the competing request: (a) immediately for hourly Non-Firm Point-To-Point Transmission Service after notification by the Transmission Provider; and, (b) within 24 hours (or earlier if necessary to comply with the scheduling deadlines provided in section 14.6) for Non-Firm Point-To-Point Transmission Service other than hourly transactions after notification by the Transmission Provider. Transmission service for Network Customers from resources other than designated Network Resources will have a higher priority than any Non-Firm Point-To-Point Transmission Service over secondary Point(s) of Receipt and Point(s) of Delivery will have the lowest reservation priority under the Tariff.

14.7 Curtailment or Interruption of Service: The Transmission Provider reserves the right to Curtail, in whole or in part, Non-Firm Point-To-Point Transmission Service provided under the Tariff for reliability reasons when, an emergency or other unforeseen condition threatens to impair or degrade the reliability of its Transmission System. The Transmission Provider reserves the right to Interrupt, in whole or in part, Non-Firm Point-To-Point Transmission Service provided under the Tariff for economic reasons in order to accommodate (1) a request for Firm Transmission Service, (2) a request for Non-Firm Point-To-Point Transmission Service of greater duration, (3) a request for Non-Firm Point-To-Point Transmission Service of equal duration with a higher price, or (4) transmission service for Network Customers from non-designated resources. The Transmission Provider also will discontinue or reduce service to the Transmission Customer to the extent that deliveries for transmission are discontinued or reduced at the Point(s) of Receipt. Where required, Curtailments or Interruptions will be made on a non-discriminatory basis to the transaction(s) that effectively relieve the constraint, however, Non-Firm Point-To-

Point Transmission Service shall be subordinate to Firm Transmission Service. If multiple transactions require Curtailment or Interruption, to the extent practicable and consistent with Good Utility Practice, Curtailments or Interruptions will be made to transactions of the shortest term (e.g., hourly non-firm transactions will be Curtailed or Interrupted before daily non-firm transactions and daily non-firm transactions will be Curtailed or Interrupted before weekly non-firm transactions). Transmission service for Network Customers from resources other than designated Network Resources will have a higher priority than any Non-Firm Point-To-Point Transmission Service under the Tariff. Non-Firm Point-To-Point Transmission Service over secondary Point(s) of Receipt and Point(s) of Delivery will have a lower priority than any Non-Firm Point-To-Point Transmission Service under the Tariff. The Transmission Provider will provide advance notice of Curtailment or Interruption where such notice can be provided consistent with Good utility Practice.

17.5 Response to a Completed Application: Following receipt of a Completed Application for Firm Point-To-Point Transmission Service, the Transmission Provider shall make a determination of available transmission capability as required in Section 15.2. The Transmission Provider shall notify the Eligible customer as soon as practicable, but not later than thirty (30) days after the date of receipt of a Completed Application either (i) if it will be able to provide service without performing a System Impact Study or (ii) if such a study is needed to evaluate the impact of the application pursuant to Section 19.1. Responses by the Transmission Provider must be made as soon as practicable to all completed application (including applications by its own merchant function) and the timing of such responses must be made on a non-discriminatory basis.

[Note: This attachment will not appear in the Code of Federal Regulations.]

Attachment C

Section 4.2.10.2 of the S&CP Document is revised to provide as follows:

4.2.10.2 Status Values

The possible STATUS values are:

QUEUED=initial status assigned by TSIP on receipt of "customer services purchase request."

INVALID=assigned by TSIP or Provider indicating an invalid field in the request, such as improper POR, POD, source, sink, etc. (Final state).

RECEIVED=assigned by Provider or Seller to acknowledge QUEUED requests and indicate the service request is being

evaluated, including for completing the required ancillary services.

STUDY=assigned by Provider or Seller to indicate some level of study is required or being performed to evaluate service request.

REFUSED=assigned by Provider or Seller to indicate service request has been denied due to lack of availability of transmission capability. SELLER COMMENTS should be used to communicate details for denial of service. (Final state).

COUNTEROFFER=assigned by Provider or Seller to indicate that a new OFFER PRICE is being proposed.

REBID=assigned by Customer to indicate that a new BID PRICE is being proposed.

SUPERSEDED=assigned by Provider or Seller when a request which has not yet been confirmed is preempted by another reservation request. (Final state).

ACCEPTED=assigned by Provider or Seller to indicate the service request at the designated OFFER PRICE has been approved/accepted. If the reservation request was submitted PRECONFIRMED, the OASIS Node shall immediately set the reservation status to CONFIRMED. Depending upon the type of ancillary services required, the Seller may or may not require all ancillary service reservations to be completed before accepting a request.

DECLINED=assigned by Provider or Seller to indicate that the BID PRICE is unacceptable and that negotiations are terminated. SELLER COMMENTS should be used to communicate reason for denial of service. (Final state).

CONFIRMED=assigned by Customer in response to Provider or Seller posting "ACCEPTED" status, to confirm service. Once a request has been "CONFIRMED," a transmission service reservation exists. (Final state, unless overridden by DISPLACED or ANNULLED state).

WITHDRAWN=assigned by Customer at any point in request evaluation to withdraw the request from any further action. (Final state).

DISPLACED=assigned by Provider or Seller when a "CONFIRMED" reservation from a Customer is replaced by a longer term reservation and the Customer has not exercised right of first refusal, if any (i.e., refused to match terms of new request). (Final state).

ANNULLED=assigned by Provider or Seller when, by mutual agreement with the Customer, a confirmed reservation is to be voided. (Final state).

RETRACTED=assigned by Provider or Seller when the Customer fails to confirm or withdraw the request within the required time period. (Final state).

[Note: This attachment will not appear in the Code of Federal Regulations.]

Attachment D.—Data Element Dictionary

Data dictionary element name	Alias	Field format: minimum characters {type of ASCII} maximum characters	Restricted values	Definition of data element
AFFILIATE_FLAG	AFFLAG	{ALPHANUMERIC}3	Valid Values YES NO	Set to YES if customer is an affiliate of the provider
ANC_SVC_LINK	ANCSVCLINK	0{ ALPHANUMERIC} 300	Formatted string as follows: SC:(AA); RV: (AA); RF: (AA:xxx:yyy:nnn); EI: (AA:xxx:yyy:nnn); SP: (AA:xxx:yyy:nnn); SU: (AA:xxx:yyy:nnn); {Registered}: (AA:xxx:yyy:nnn)	The method for linking ancillary services to a transmission service request. The provider and capacity of each ancillary service is identified using the formatted string: SC:(AA); RV: (AA); RF: (AA:xxx:yyy:nnn); EI: (AA:xxx:yyy:nnn); SP: (AA:xxx:yyy:nnn); SU: (AA:xxx:yyy:nnn); {Registered}: (AA:xxx:yyy:nnn) where AA is the appropriate PRIMARY PROVIDER CODE, SELLER CODE, or CUSTOMER CODE, and represents the company providing the ancillary services. "AA" may be unspecified for "xxx" type identical to "FT", in which case the "." character must be present and precede the "FT" type. If multiple "AA" terms are necessary, then each "AA" grouping will be enclosed within parenthesis, with the overall group subordinate to the ANC_SVC_TYPE specified within parenthesis. and where xxx represents either: —"FT" to indicate that the Customer will determine ancillary services at a future time, or —"SP" to indicate that the Customer will self-provide the ancillary services, or —"RC" to indicate that the Customer is asking the OASIS Node to initiate the process for making an ancillary services reservation with the indicated Provider or Seller on behalf of the Customer. The Customer must then continue the reservation process with the Provider or Seller. If the transmission services request is for preconfirmed service, then the ancillary services shall also be preconfirmed, or —"AR" to indicate an assignment reference number sequence follows. The terms "yy" and "nnn" are subordinate to the xxx type of "AR". yy represents the ancillary services reservation number (ASSIGNMENT REF) and nnn represents the capacity of the reserved ancillary services. Square brackets are used to indicate optional elements and are not used in the actual linkage itself. Specifically, the :yyy is applicable to only the "AR" term and the :nnn may optionally be left off if the capacity of ancillary services is the same as for the transmission services, and optionally multiple ancillary reservations may be indicated by additional (xxx:yyy:nnn) enclosed within parenthesis. If no capacity amount is indicated, the required capacity is assumed to come from the ancillary reservations in the order indicated in the codes, on an "as-needed" basis. Ancillary services required for a transmission services offering. The appropriate letter (M,R,O,U) will be assigned to each of the six Proforma Ferc ancillary services (see AS_TYPE), where the letters mean the following: • (M) Mandatory, which implies that the Primary Provider must provide the ancillary service.
ANC_SVC_REQ	ANCSVCREQ	0{ALPHANUMERIC} 100	EI:(M,R,O,U); SP:(M,R,O,U); SU:(M,R,O,U); RV:(M,R,O,U); RF:(M,R,O,U); SC:(M,R,O,U); {Registered}:(M,R,O,U)	
AS_TYPE	ASTYPE	1{ALPHANUMERIC}20	Valid types • EI • SP • SU • RV • RF • SC • {Registered}	<ul style="list-style-type: none"> • (R) Required, which implies that the ancillary service is required, but not necessarily from the Primary Provider. • (O) Optional, which implies that the ancillary service is not necessarily required, but could be provided. • (U) Unknown, which implies that the requirements for the ancillary service are not known at this time.
ASSIGNMENT_REF	AREF	1{ALPHANUMERIC}12	Unique value	EI—Energy Imbalance. SP—Spinning Reserve. SU—Supplemental Reserve. RV—Reactive supply and Voltage Control. RF—Regulation and Frequency response. SC—Scheduling, system Control and Dispatch. {Registered} must be registered with www.isih.com and listed in the ANCSERV template. A unique reference number assigned by a Transmission Information Provider to provide a unique record for each transmission or ancillary service request. A single transmission or ancillary service request will be over a contiguous time period, i.e. from a START_TIME to a STOP_TIME. The current bid price of a Service in dollars and cents. Used by Customers to designate a price being bid.
BID_PRICE	BIDPR	1{NUMERIC}5 + 2{NUMERIC}2	Positive number with 2 decimals	

Data dictionary element name	Alias	Field format: minimum characters {type of ASCII} maximum characters	Restricted values	Definition of data element
CAPACITY	CAP	1{NUMERIC}12	Non-negative number in units of MW.	Transfer capability is the measure of the ability of the interconnected electric system to readily move or transfer power from one area to another over all transmission lines (or paths) between those areas under specified system conditions. In this context "area" may be an individual electric system, powerpool, control area, subregion, or NERC region or portion thereof. The amount of transfer capability curtailed by the Primary provider for emergency reasons.
CAPACITY_CURTAILED	CAPCUR	1{NUMERIC}12	Non-negative number in units of MW	Transfer capability scheduled on each path.
CAPACITY_SCHEDULED CATEGORY	CAPSCH CAT	0{NUMERIC}12 0{ALPHANUMERIC}25	Non-negative number in units of MW Valid name from CATEGORY in LIST Template	A name to be used to categorize messages. Valid names would include: , Want-Ad, Curtailment, Outage, Oasis Miant Notice.
CEILING_PRICE COLUMN_HEADERS	CEILPR HEADERS	1{NUMERIC}15 + ',' + 2{NUMERIC}2 1{ALPHANUMERIC } Limited to all the elements names in one Template	Positive number with 2 decimals Headers surrounded with A and separated by commas. Limited to valid Template element names. Must use full element name and not alias "y" or "N"	Ceiling price of the Service as entered by the Transmission Provider. Example: COLUMN_HEADER=APATH NAME;" POINT_OF_RECEIPT";" POINT_OF_DELIVERY";" SOURCE";"SINK".
CONTINUATION_FLAG CONTROL_AREA	CONT AREA	1{ALPHANUMERIC}1 1{ALPHANUMERIC}20	Valid name of a control area	Indicates whether or not this record is a continuation from the previous record. A part of the power system with metered tie lines and capable of matching generation and load while meeting scheduled interchange. Location of Ancillary Services is my CONTROL_AREA.
CURTAILMENT_OPTIONS	CUROPT	0{ALPHANUMERIC}80	Free form text	Customer options, if any, to avoid curtailment.
CURTAILMENT_PROCEDURES	CURPROC	0{ALPHANUMERIC}80	Free form text	Curtailment procedures to be followed in the event of a curtailment.
CURTAILMENT_REASON	CURREAS	0{ALPHANUMERIC}80	Free-form text	Reason for curtailment of service.
CUSTOMER_CODE	CUST	1{ALPHANUMERIC}16	Unique value, registered on TSIN.COM	Any entity (or its designated agent) that is eligible to view OASIS information, to execute a service agreement, and/or to receive transmission service.
CUSTOMER_COMMENTS	CUSTCOM	0{ALPHANUMERIC} 80	Free-form text	Informative text.
CUSTOMER_DUNS	CUSTDUNS	9{NUMERIC}9	Unique DUNS number	Unique DUNS number for a Customer.
CUSTOMER_EMAIL	CUSTEMAIL	1{ALPHANUMERIC}25	Valid Internet E-Mail address	Internet E-Mail address of Customer contact person.
CUSTOMER_FAX	CUSTFAX	14{ALPHANUMERIC}20	Area code and telephone number, plus any extensions (aaa)-nnn-nnnn xxxxxx	FAX phone number of Customer contact person.
CUSTOMER_NAME	CUSTNAME	1{ALPHANUMERIC}25	Free form text	Name of Customer contact person.
CUSTOMER_PHONE	CUSTPHON	14{ ALPHANUMERIC}20	Area code and telephone number, plus any extensions (aaa)-nnn-nnnn xxxxxx	Telephone of Customer contact person.
DATA_ROWS	ROWS	{NUMERIC} unlimited	Positive Number	Number of records (rows) of data exclusive of header information that are to be uploaded or downloaded in a file.
DATE_TIME_EFFECTIVE	TIMEEFCF	16{ALPHANUMERIC}16	Valid date and time in seconds: yyymm+mo+dd+hh+mm+ss+tz	Date and time a message or service offer is in effect.
DEAL_REF	DREF	0{ALPHANUMERIC}12	Unique value. Assigned by Customer	The unique reference assigned by a Customer to two or more service purchases to identify each of them as related to others in the same power service deal. These requests may be related to each other in time sequence through a single Provider, or as a series of wheels through multiple Provider/s, or a combination of both time and wheels. The User uses the DEAL_REF to uniquely identify a combination of requests relating to a particular deal.
DESCRETION_DESCRIPTION	DISDESC	0{ALPHANUMERIC}1000	Free form text	A detailed description of the request being reported.
ELEMENT_NAME	ELEMENT	1{ALPHANUMERIC}40	Valid Template element name	Template element name as indicated in data dictionary.
EMPLOYEE_NAME	EMPNAME	1{ALPHANUMERIC}25	Free form text	Name of person who is transferring from one position to another.
ERROR_MESSAGE	ERROR	1{ALPHANUMERIC}250	Free form text	Error message related to a RECORD_STATUS or REQUEST_STATUS.
FORMER_COMPANY	FORMCO	1{ALPHANUMERIC}25	Free form text	Former company of the person who is transferring.
FORMER_DEPARTMENT	FORMDEPT	1{ALPHANUMERIC}25	Free form text	Former department of the person who is transferring.
FORMER_POSITION	FORMPOS	1{ALPHANUMERIC}25	Free form text	Former position held by the person who is transferring.
INTERFACE_TYPE	INTERFACE	0{ALPHANUMERIC}1	Free form text	Type of interface define by path: Internal (I) to a control area or External (E) to a control area.
LIST_ITEM	ITEM	1{ALPHANUMERIC}50	Free form text	Item from LIST, such as list of SELLER, list of PATH_NAME, list of POINT_OF_RECEIPT, list of POINT_OF_DELIVERY, list of SERVICE_INCREMENT, list of TS_CLASS, list of TS_TYPE, list of TS_WINDOW, list of TS_SUBCLASS, list of AS_TYPE, list of NERC_CURTAILMENT_PRIORITY, list of OTHER_CURTAILMENT_PRIORITY, list of LIST.
LIST_ITEM_DESCRIPTION	ITEMDESC	0{ALPHANUMERIC}100	Free form text	A detailed description of the LIST ITEM.
LIST_NAME	LIST	1{ALPHANUMERIC}50	LIST, SELLER, PATH, POR, POD, SERVICE_INCREMENT, TS_CLASS, TS_TYPE, TS PERIOD, TS SUBCLASS, AS TYPE, NERC CURTAILMENT_PRIORITY, OTHER CURTAILMENT_PRIORITY, CATEGORY, TEMPLATE	List of valid names for each of the types of lists. The minimum set of lists defined must be implemented.
MESSAGE	MSG	1{ALPHANUMERIC}200	Free form text	An informative text message.
NEGOTIATED_PRICE_FLAG	NGPRIFLG	0{ALPHANUMERIC}1	H, L, or blank	Set to H if OFFER_PRICE is higher than the currently posted price; set to L if OFFER PRICE is lower than the currently posted price.
NERC_CURTAILMENT_PRIORITY	NERCURT	1{NUMERIC} 1	Integer 1-7	One of the NERC seven curtailment priorities, documented in LIST template.
NEW_COMPANY	NEWCO	1{ALPHANUMERIC}25	Free form text	New company of the person who is transferring.
NEW_DATA	NEWDATA	0{ALPHANUMERIC}200	Any valid date element value	For audit log, the new updated value of a Template data element after update.

NEW_DEPARTMENT	NEW_POSITION	OFFER_PRICE	OFFER_START_TIME	OFFER_STOP_TIME	OLD_DATA	OPTIONAL_CODE	OTHER_CURTAILMENT_PRIORITY	OUTPUT_FORMAT	PATH_CODE	PATH_NAME	POINT_OF_DELIVERY	POINT_OF_RECEIPT	POSTING_NAME	POSTING_REF	PRECONFIRMED	PRICE_UNITS	PRIMARY_PROVIDER	COMMENTS	PRIMARY_PROVIDER_CODE	PRIMARY_PROVIDER_DUNS	REASSIGNED_CAPACITY	REASSIGNED_REF	REASSIGNED_START_TIME	REASSIGNED_STOP_TIME
NEWDEPT	NEWPOS	OFFPR	OFFSTIME	OFFSPTIME	OLDDATA	N/A	OTHCUR	FMT	N/A	PATH	POD	POR	POSTNAME	POSTREF	PRECONF	UNITS	PPROVCOM		PROVIDER	PPROVDUNS	RASCAP	REREF	RESSTIME	RESSPTIME
1{ALPHANUMERIC}25	1{ALPHANUMERIC}25	1{NUMERIC}5 + "." + 2{NUMERIC}2	0,16{ALPHANUMERIC}16	0,16{ALPHANUMERIC}16	0{ALPHANUMERIC}200	0{ALPHANUMERIC}25	0{ALPHANUMERIC}8	4{ALPHANUMERIC}4	0{ALPHANUMERIC}12	5{ALPHANUMERIC}50	1{ALPHANUMERIC}12	1{ALPHANUMERIC}12	1{ALPHANUMERIC}25	1{ALPHANUMERIC}12	2{ALPHA}3	0{ALPHA}20	0{ALPHANUMERIC}80		1{ALPHANUMERIC}4	9{NUMERIC}9	1{NUMERIC}12	1{ALPHANUMERIC}12	16{ALPHANUMERIC}16	16{ALPHANUMERIC}16
Free form text.	Free form text.	Positive number with 2 decimals	Valid Date and Time to seconds: yyyy+mm+dd+hh+mm+ss+Z	Valid Date and Time to seconds: yyyy+mm+dd+hh+mm+ss+Z	Any valid data element value	Unique path name within region	Free form text	HTML_DATA	Unique code for each path as defined by primary provider	Unique value	Unique value within Primary Provider	Unique value within Primary Provider	Free form text	Unique Value	YES or NO	Free form text	Free-form text	Unique code	Valid DUNS number	Positive number, cannot exceed previous assigned capacity	Unique value	Valid date and time to seconds: yyyy+mm+dd+hh+Z	Valid date and time to hour: yyyy+mm+dd+hh+Z	
<p>New department of the person who is transferring.</p> <p>New position held by the person who is transferring.</p> <p>The current offered price of a Service in dollars and cents. Used by the Seller to indicate the offering price.</p> <p>Start time of the window during which a Customer may request a discounted offer. If null, no restrictions on the start of the offering time is implied (other than tariff requirements).</p> <p>Stop time of the window during which a Customer may request a discounted offer. (Expiration time of an offer). If null, no restrictions on the end of the offering time is implied (other than tariff requirements).</p> <p>For audit log, the old value of a Template data element prior to being updated. This element is not applicable in the audit log for transaction events.</p> <p>OPTIONAL_CODE_25 chars, unique for Path. If used for directionality, then the first 12 characters shall represent POR, followed by >->, followed by 12 characters which shall represent POD. Used by PATH_NAME.</p> <p>Other than NERC curtailment priorities, such as regional curtailment priorities. Suggested format: region+number, for example MAPP4, WSCC7. Documented in LIST template.</p> <p>Format of response: HTML=hyperTEXT markup language for presentation using a web browser. DATA=text for use in a downloaded file.</p> <p>Unique code within a Region for each path. Used by PATH_NAME.</p> <p>The unique name assigned to a single transmission line or the set of one or more parallel transmission lines whose power transfer capabilities are strongly interrelated and must be determined in aggregate.</p> <p>These lines are typically described as being on a path, corridor or interconnection in some regions, or as crossing an interface or cut-plane in other regions. Multiple lines may be owned by different parties and require prorating of capability shares.</p> <p>The name is constructed from the following codes, with each code separated by a "/". Trailing "/" may be omitted, if there are no values for OPTION_CODE and SPARE_CODE: REGION_CODE—2 chars, unique to OASIS System PRIMARY_PROVIDER_CODE—4 chars, unique within Region PATH_CODE 12 chars, unique for Primary Provider OPTIONAL_CODE 25 chars, unique for Path. If used for directionality, then the first 12 characters shall represent POR, followed by >->, followed by 12 characters which shall represent POD SPARE_CODE 3 chars.</p> <p>Point of Delivery is one or more point(s) of interconnection on the Transmission Provider's transmission system where capacity and/or energy transmitted by the Transmission Provider will be made available to the Receiving Party. This is used along with Point of Receipt to define a Path and direction of flow on that path. For internal paths, this would be a specific location(s) in the area. For an external path, this may be an area-to-area interface.</p> <p>Point of Receipt is one or more point(s) of interconnection on the Transmission Provider's transmission system where capacity and/or energy transmitted will be made available to the Transmission Provider by the Delivering Party. This is used along with Point of Delivery to define a Path and direction of flow on that path. For internal paths, this would be a specific location(s) in the area. For an external path, this may be an area-to-area interface.</p> <p>Name of person who is posting the information on the OASISNode.</p> <p>Assigned by TSIP when Service or Message is received by TSIP. Unique number can be used by the user to modify or delete the posting.</p> <p>Used by Customer to preconfirm sale in Template transrequest or anrequest. If customer indicates sale is preconfirmed, then the response is YES and the customer does not need to confirm the sale.</p> <p>The units used for CEILING_PRICE, OFFER_PRICE, and BID_PRICE. Examples: \$/MWhr, \$/MWhmonth.</p> <p>Informative text. Usually entered by the Primary Provider through a back end system.</p> <p>Unique code for each Primary Provider. Used by PATH_NAME and in URL. Registered as part of URL at www.isin.com.</p> <p>Unique code for each Primary. Provided by Dun and Bradstreet.</p> <p>The amount of transfer capability that was reassigned from one entity to another.</p> <p>When customer makes a purchase of a transmission service that was posted for resale and a new ASSIGNMENT_REF number is issued the previous ASSIGNMENT_REF number now becomes the REASSIGNMENT_REF. Also used by SELLER when posting transmission or ancillary services for resale to show the previous assignment reference number. Also used by the customer when making a request to use FIRM service as SECONDARY over alternate points of delivery.</p> <p>Beginning date and time of the reassigned transmission service.</p> <p>Date and time of the end of the transmission service that is reassigned to another User.</p>																								

Data dictionary element name	Alias	Field format: minimum characters {type of ASCII} maximum characters	Restricted values	Definition of data element
RECORD_STATUS	RECSTATUS	1{NUMERIC}3	Error number	Record status indicating record was successful or error code if unsuccessful. 200=Successful.
REGION_CODE	N/A	1{ALPHANUMERIC}2	Unique within OASIS System	Defined for NERC regions, with the following defined: E—ECAR, I—MAIN, S—SEK, T—ERCOT, A—MAPP, P—SPP, M—MAAC, N—NPCC, W—WSCC, F—FRCC. Second character or digit reserved for subregion id as defined by each region.
REQUEST_REF	RREF	0{ALPHANUMERIC}12	Unique value	A reference uniquely assigned by a Customer to a request for service from a Provider.
REQUEST_STATUS	RSTATUS	1{NUMERIC}3	Error number	Message status indicating message was successful (if all RECORD_STATUS show success) or error code if any RECORD_STATUS showed unsuccessful. 200 = Successful.
RESPONSE_TIME_LIMIT	RESPTL	16{ALPHANUMERIC}16	Valid date and time to seconds: yyyy+rrcc+dd+hh+mm+ss+tz	Date and time to seconds by which a response must be received from a Customer.
RESPONSIBLE_PARTY_NAME	PARTNAME	1{ALPHANUMERIC}25	Free form text	The name of the person responsible for granting the discretion.
RETURN_TZ	TZ	2{ALPHANUMERIC}2	AD, AS, PD, PS, ED, ES, MD, MS, CD, CS, UT	A time zone code, indicating the base time zone, and whether daylight saving time is to be used. This field may be set by a Customer in a query. Returned date and time data is converted to this time zone.
SALE_REF	SREF	0{ALPHANUMERIC}12	Unique value	Identifier which is set by seller (including Primary Provider) when posting a service for sale.
SELLER_CODE	SELLER	1{ALPHANUMERIC}6	Unique value	Organization name of Primary Provider or Reseller.
SELLER_COMMENTS	SELCOM	0{ALPHANUMERIC}80	Free-form text	Informative text provided by the Seller.
SELLER_DUNS	SELDUNS	9{NUMERIC}9	Valid DUNS number	Unique Data Universal Numbering System provided by Dun and Bradstreet.
SELLER_EMAIL	SELEMAIL	5{ALPHANUMERIC}60	Valid network reference	Code for a Primary Provider or Seller.
SELLER_FAX	SELFAX	14{ALPHANUMERIC}20	Area code and telephone number, plus any extensions Example: (aaa)-nnn-nnnn xnnnn	E-Mail address of Seller contact person.
SELLER_NAME	SELNAME	1{ALPHANUMERIC}25	Free form text	The fax telephone number for contact person at Seller.
SELLER_PHONE	SELPHONE	14{ALPHANUMERIC}20	Area code and telephone number, plus any extensions (aaa)-nnn-nnnn xnnnn	The name of an individual contact person at the Seller.
SERVICE_DESCRIPTION	SVDESC	0{ALPHANUMERIC}200	Free-form text	The telephone number of a contact person as a Seller.
SERVICE_INCREMENT	SRVINCR	1{ALPHANUMERIC}8	Valid increments	Information regarding a service.
SERVICE_NAME	SVNAME	1{ALPHANUMERIC}25	• HOURLY	The transmission service increments provided. Five are pre-defined, while additional increments can be used if they are registered on TSIN.COM and shown in the Provider's LIST template.
SERVICE_TYPE	SVCTYPE	1{ALPHANUMERIC}25	• Daily	Name of service affected by the discretionary action.
SINK	SINK	0{ALPHANUMERIC}14	• Weekly	Type of service affected by the discretionary action.
SOURCE	SOURCE	0{ALPHANUMERIC}14	• Monthly	The area in which the SINK is located.
SPARE_CODE	N/A	0{ALPHANUMERIC}3	• Yearly	The area in which the SOURCE is located.
STANDARDS_OF_CONDUCT_ISSUES	STDISSUE	0{ALPHANUMERIC}800	• {Registered}	Spare code to be used at a later time. Used by PATH-NAME issues that were in violation of the FERC Standards of Conduct. This text may include a reference pointer to a more detailed description.
START_TIME	STIME	16{ALPHANUMERIC}16	Valid Date and Time to seconds: yyyy+rrcc+dd+hh+mm+ss+tz	Start date and clock time of a service. When used as a query variable, it requires the return of all items whose Stop time is after the Start time. Note that for some Templates when used as a query variable the time may be only valid up to the hour, day or month. If more data is given than is valid, the hour, day or month will be used to make the date and time inclusive, i.e. date or time will be truncated to valid hour, day or month.
START_TIME_POSTED	STIMEP	16{ALPHANUMERIC}16	Valid Date and Time to seconds: yyyy+rrcc+dd+hh+mm+ss+tz	Query parameter to indicate all the records are to be retrieved that were posted on or after this time.
START_TIME_QUEUED	STIMEQ	16{ALPHANUMERIC}16	Valid Date and Time to seconds: yyyy+rrcc+dd+hh+mm+ss+tz	Start date and clock time of a service, used for requesting transactions queued after this time.
STATUS	STATUS	5{ALPHANUMERIC}25	Valid field (QUEUED, INVALID, RECEIVED, STUDY, REBID, COUNTEROFFER, DECLINED, SUSPENDED, ACCEPTED, REFUSED, CONFIRMED, WITHDRAWN, DISPLACED, ANNULLED, RETRACTED)	QUEUED = initial status assigned by TSIP on receipt of "customer services purchase request". INVALID = assigned by TSIP or Provider indicating an invalid field in the request, such as improper POR, POD, source, sink, etc. (Final state). RECEIVED = assigned by Provider or Seller to acknowledge QUEUED requests and indicate the service request is being evaluated, including for completing the required ancillary services. STUDY = assigned by Provider or Seller to indicate some level of study is required or being performed to evaluate service request.

<p>REFUSED = assigned by Provider or Seller to indicate service request has been denied due to lack of availability of transmission capability. SELLER COMMENTS should be used to communicate details for denial of service. (Final state).</p> <p>COUNTEROFFER= assigned by Provider or Seller to indicate that a new OFFER_PRICE is being proposed.</p> <p>REBID = assigned by Customer to indicate that a new BID_PRICE is being proposed.</p> <p>SUPERSEDED = assigned by Provider or Seller when a request which has not yet been confirmed is preempted by another reservation request. (Final state).</p> <p>ACCEPTED = assigned by Provider or Seller to indicate the service request at the designated OFFER PRICE has been approved/accepted. If the reservation request was submitted PRECONFIRMED, the OASIS Node shall immediately set the reservation status to CONFIRMED. Depending upon the type of ancillary services required, the Seller may or may not require all ancillary service reservations to be completed before accepting a request.</p> <p>DECLINED = assigned by the Provider or Seller to indicate that the BID PRICE is unacceptable and that negotiations are terminated. SELLER COMMENTS should be used to communicate reason for denial of service. (Final state).</p> <p>CONFIRMED = assigned by Customer in response to Provider or Seller posting "ACCEPTED" status, to confirm service. Once a request has been "CONFIRMED", a transmission service reservation exists. (Final state, unless overridden by DISPLACED or ANNULLED state).</p> <p>WITHDRAWN = assigned by Customer at any point in request evaluation to withdraw the request from any further action. (Final state).</p> <p>DISPLACED = assigned by Provider or Seller when a "CONFIRMED" reservation from a Customer is replaced by a longer term reservation and the Customer has not exercised right of first refusal, if any (i.e. refused to match terms of new request). (Final state).</p> <p>ANNULLED = assigned by Provider or Seller when, by mutual agreement with the Customer, a confirmed reservation is to be voided. (Final state).</p> <p>RETRACTED = assigned by Provider or Seller when the Customer fails to confirm or withdraw the request within the required time period. (Final state).</p> <p>Informative text.</p> <p>The STATUS_NOTIFICATION data element shall contain the protocol field "http:" which designates the notification method/protocol to be used, followed by all resource location information required; the target domain name and port designations shall be inserted into the notification URL based on the Customer's Company registration information. The resource location information may include directory information, cgi script identifiers and URL encoded query string name/value pairs as required by the Customer's application. or mailto and email address for the status information the Customer wants to receive upon a change in STATUS of transstatus, or ancstatus.</p> <p>Stop date and clock time. When used as a query variable, it requires the return of all items which start before the Stop time. Note that for some Templates when used as a query variable the time may be only valid up to the hour, day or month. If more data is given than is valid, the hour, day or month will be used to make the date and time inclusive, i.e. date or time will be increased to include STOP_TIME.</p> <p>Query parameter to indicate all the records are to be retrieved that were posted on or before this time.</p> <p>Stop date and clock time, used for requesting transactions queued before this time.</p> <p>Informative text used to summarize a topic in a message.</p> <p>Tariffs approved by FERC.</p> <p>The name of a logical collection of DATA_ELEMENTS in a User's interaction with an OASIS Node.</p> <p>Date and time to seconds that data was last updated. May be used to search data updated since a specific point in time.</p> <p>Date and time a message is posted.</p> <p>Date and time that the request was queued.</p> <p>Time data is created.</p> <p>The transmission service classes provided. Four are pre-defined, while additional classes can be used if they are registered on TSIN.COM and shown in the Provider's LIST template page. SECONDARY is defined as alternate points of receipt or delivery for POINT_TO_POINT, or as nondesignated resources for NETWORK service.</p>	<p>0{ALPHANUMERIC} 80 0{ALPHANUMERIC} 200</p>	<p>STACOM STATNOT</p>	<p>STATUS_COMMENTS STATUS_NOTIFICATION</p>	<p>Free form text http://URL;portnumber/direct ory/cgi script/query parameters or Mailto: <e-mail address></p>	<p>Valid date and time yyyy+mm+dd+hh+mm+ss+tz</p>	<p>Valid Date and Time to seconds: yyyy+mm+dd+hh+mm+ss+tz Valid Date and Time to seconds: yyyy+mm+dd+hh+mm+ss+tz</p>	<p>Valid form text Free form text. Name and description of Tariff</p>	<p>Valid Name of Template from Section 4.3 or from LIST Template Valid date and time to seconds: yyyy+mm+dd+hh+mm+ss+tz Valid date and Time to seconds: yyyy+mm+dd+hh+mm+ss+tz</p>	<p>Valid classes: • FIRM • NON-FIRM • TTC • SECONDARY • Registered</p>
<p>STOP_TIME</p>	<p>16{ALPHANUMERIC}16</p>	<p>SPTIME</p>							
<p>STOP_TIME_POSTED</p>	<p>16{ALPHANUMERIC}16</p>	<p>STPTIMEP</p>							
<p>STOP_TIME_QUEUED</p>	<p>16{ALPHANUMERIC}16</p>	<p>SPTIMEQ</p>							
<p>SUBJECT</p>	<p>0{ALPHANUMERIC} 80</p>	<p>SUBJ</p>							
<p>TARIFF_REFERENCE</p>	<p>0{ALPHANUMERIC} 150</p>	<p>TARIFF</p>							
<p>TEMPLATE</p>	<p>1{ALPHANUMERIC}20</p>	<p>TEMPL</p>							
<p>TIME_OF_LAST_UPDATE</p>	<p>16{ALPHANUMERIC}16</p>	<p>TLUPDATE</p>							
<p>TIME_POSTED</p>	<p>16{ALPHANUMERIC}16</p>	<p>TIMEPST</p>							
<p>TIME_QUEUED</p>	<p>16{ALPHANUMERIC}16</p>	<p>TIMEQ</p>							
<p>TIME_STAMP</p>	<p>16{ALPHANUMERIC}16</p>	<p>TSTAMP</p>							
<p>TS_CLASS</p>	<p>1{ALPHANUMERIC}20</p>	<p>TSCASS</p>							

Data dictionary element name	Alias	Field format: minimum characters {type of ASCII} maximum characters	Restricted values	Definition of data element
TS_PERIOD	TSPER	1{ALPHANUMERIC}20	Valid periods ON PEAK OFF PEAK FULL PERIOD {Registered}	The transmission service periods provided. Three are pre-defined, while additional periods can be used if they are registered on TSIN.COM and shown in the Provider's LIST template.
TS_SUBCLASS TS_TYPE	TSSUBC TSTYPE	0{ALPHANUMERIC}20 1{ALPHANUMERIC}20	Free Form Valid types • POINT_TO_POINT • NETWORK • ATC • {Registered}	The transmission service subclasses provided. These are freeform. The transmission service types provided. Three are pre-defined, while additional types can be used if they are registered on TSIN.COM and shown in the Provider's LIST template.
TS_WINDOW	TSWIND	1{ALPHANUMERIC}20	Valid windows •YFIXED • SLIDING • EXTENDED • {Registered}	The transmission service windows provided. Three are pre-defined, while additional windows can be used if they are registered on TSIN.COM and shown in the Provider's LIST template.
TZ_	TZ	2{ALPHANUMERIC}2	Valid time zone and indication whether daylight savings time is to be used	Time zones: Atlantic time=AD, AS, Eastern time=ED, ES, Central time=CD, CS, Mountain time=MD, MS, Pacific time=PD, PS, Universal time=UT. Date and time after which the message is valid. Date and time before which the message is valid.
VALID_FROM_TIME VALID_TO_TIME VERSION	VALFTIME VALTTIME VER1{REAL NUMBER}6	16{ALPHANUMERIC}16 16{ALPHANUMERIC}16 Range of 1.0 to 9999.9	Valid date and time yyyy+mo+dd+hh+mm+ss+hz Valid date and time yyyy+mo+dd+hh+mm+ss+hz Specifies which version of the OASIS Standards and Communication Protocol to use when interpreting the request.	

[Note: This attachment will not appear in the Code of Federal Regulations.]

Attachment E—List of Commenters to UBP NOPR

No. and commenter name	Abbreviation
1. Allegheny Power Company.	Allegheny Power.
2. American Electric Power Company.	AEP.
3. Bonneville Power Administration.	BPA.
4. Cinergy Services	Cinergy.
5. Consumers Energy Company.	Consumers.
6. Duke Energy Corporation	Duke.
7. Edison Electric Institute ...	EEI.
8. Electric Clearinghouse, Inc..	ECI.
9. Electric Power Supply Association.	EPSA.
10. Electricity Consumers Resource Council.	ELCON.
11. Entergy Services, Inc	Entergy.
12. Florida Power Corporation.	Florida Power Corp.
13. National Rural Electric Cooperative Association.	NRECA.
14. North American Electric Reliability Council.	NERC.
15. New York State Electric & Gas Corporation.	NYSEG.
16. PJM Interconnection, LLC.	PJM.
17. Southern Company Services, Inc.	Southern.
18. Tucson Electric Power Company.	TEP.
19. Virginia Electric & Power Company.	VEPCO.

Open Access Same-Time Information System and Standards of Conduct; Docket No. RM95-9-003.

Issued February 25, 2000.

HEBERT, Commissioner, *concurring*: I write separately to explain my departure from my colleagues on one discrete issue. Today's rulemaking on uniform business practices is fine in all other respects.

The electric utility industry will be well served by a package of uniform business practices that will provide greater certainty and consistency in the on-line negotiation of discounts for transmission service. This comprehensive package also should improve communications between transmission providers and transmission customers over OASIS sites. One need only look at the natural gas pipeline industry, which already has implemented similar measures, to understand the value of uniformity of business practices in developing efficient, competitive markets.

But uniformity, while laudable in the abstract, should not be pursued at all costs. An equally important—if not more important—objective is to promote and encourage Commission cooperation with industry-led groups established to develop standards for the electronic posting and dissemination of transmission information. As the Commission has recognized in its earlier OASIS orders, such standards are highly complex and technical; their development is best-suited for industry proposals that are representative of a broad coalition of industry participants. And the Commission has previously stated that it is willing to defer, to the extent possible, to industry-developed OASIS proposals that reflect input from diverse industry segments and broad consensus among industry participants.

Here, the Commercial Practices Working Group and the OASIS How Working Group presented the Commission with a package of both mandatory business standards and voluntary “best practices” guides. The CPWG/How Group offered a number of reasons in support of the distinction between mandatory standards and voluntary guides. Chief among them, in my opinion, is the fact

that this distinction allowed the participants in the process to develop consensus.

In this order, the Commission, citing its earlier orders, continues to applaud “the invaluable ongoing efforts contributed by industry working group participants who have strived for consensus on contentious OASIS-related issues and reported on those efforts to the Commission.” Slip op. at 3 n.4. I too applaud those efforts. I fail to understand, however, why the Commission so cavalierly upsets the consensus-building efforts of the CPWG/How group in rejecting the distinction between mandatory standards and voluntary guides that was so fundamental to their proposal to the Commission.

Among all of the commenters on this issue that are referenced in today's order, *see* slip op. at 8-10, only one (Duke) unequivocally favors upsetting the consensus decision to distinguish—at least for now—between mandatory standards and voluntary guides. All other commenters support either maintaining the consensus proposal indefinitely or revisiting the voluntary guides within a set period of time (say, 9 or 12 months). I agree with the latter, more representative, group of commenters. As the order indicates, slip op. at 12, the uniform business standards the Commission adopts today are likely to require revisions and enhancements as the industry gains familiarity with them. By allowing some of the standards to remain voluntary, at least for the time being, the Commission would act to promote the consensus-building process it previously has encouraged, while allowing industry participants additional time to determine whether additional uniformity is required.

Therefore, I respectfully concur.

Curt L. Hebert, Jr.
Commissioner.

[FR Doc. 00-6930 Filed 3-30-00; 8:45 am]

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