

Appendix 1F – Inadvertent Interchange Dispute Resolution Process, Error Adjustment Procedures, and On- and Off-Peak Periods

Version 1a, Draft 1

For “Immediate Action” ballot following the November 19 – 21, 2002, standing committee meetings.

Revisions:

1. Title
2. Subheadings
3. Section C, “On-Peak and Off-Peak Periods”

Approved by SAC, December 19, 2002. To be presented to NERC BoT in February, 2003, for approval and implementation.

Appendix Subsections

- A. Dispute Resolution
- B. Error Adjustment Procedure
- C. On-Peak and Off-Peak Periods

Introduction

Adjacent CONTROL AREAS that cannot mutually agree upon their respective Net Interchange quantities by the 10th calendar day of the following month shall submit a report to their respective Resources Subcommittee representative. The report shall describe the nature and the cause of the dispute as well as a process for correcting the discrepancy. Should the submitted processes not work, the process for resolving the dispute is described herein.

A. Dispute Resolution

1. **Regional Subcommittee Representative reporting requirements.** The Resources Subcommittee representative shall accept the CONTROL AREA’S report describing the disputed values. To comply with the reporting requirements of Policy 1F Standard 5.2.2. that representative shall contact the Resources Subcommittee representative for the opposing CONTROL AREA (if the dispute is between CONTROL AREAS in different Regions). The representative(s) shall determine a set of values, which will be reported to NERC. The report(s) will identify:
 - 1.1. The names of the disputing CONTROL AREAS.
 - 1.2. The reported monthly Net Interchange Schedule (On-Peak and Off-Peak) between the disputing CONTROL AREAS.
 - 1.3. The mutually agreed to monthly Net Interchange Schedule (On-Peak and Off-Peak) between the disputing CONTROL AREAS (used to compute the Regional Inadvertent Interchange).
 - 1.4. The reported monthly Net Actual Interchange (On-Peak and Off-Peak) between the disputing CONTROL AREAS.
 - 1.5. The mutually agreed to monthly Net Actual Interchange (On-Peak and Off-Peak) between the disputing CONTROL AREAS (used to compute the Regional Inadvertent Interchange).

2. **NERC Staff reporting requirements.** The NERC staff representative to the Resources Subcommittee shall receive the Regional reports and, using the mutually agreed to data, compile a balanced INADVERTENT INTERCHANGE SUMMARY report. This report will also include a tabulated list of the CONTROL AREAS that have disputed data, as well as the magnitude of the data in dispute. This report will be distributed to the Operating Committee as well as the Resources Subcommittee by the 1st of the succeeding month.

3. **Dispute Resolution.** All disputes between CONTROL AREAS within a Region shall be referred to the regional process for dispute resolution to resolve the dispute on an informal basis within 30 days of the issuance of the NERC INADVERTENT INTERCHANGE SUMMARY report.
 - 3.1. All disputes between CONTROL AREAS in different Regions shall be referred to the respective Regions' Operating Committee representatives, or other Regional-approved representatives, for resolution on an informal basis within 30 days of the issuance of the NERC INADVERTENT INTERCHANGE SUMMARY report.
 - 3.2. In the event that the informal procedures do not resolve the dispute within 30 days, the dispute shall be submitted to binding arbitration as described below.

4. **Binding Arbitration.** A professional arbitration service will provide each of the parties in the dispute an opportunity to be heard. Within 30 days of those presentations, the arbitrator shall issue a decision. The decision and the rationale for the decision shall be provided in writing to the disputing parties.

B. Error Adjustment Procedure

Periodic Adjustments shall be made to correct for differences between hourly MWh meter totals and the totals derived from register readings of the tie-line meters. Adjacent CONTROL AREAS shall agree upon the difference determined above and assign this correction to the proper on-peak and off-peak period at the same times and in equal quantities in the opposite directions. Any adjustments necessary due to known metering errors, franchised territories, transmission losses or other special circumstances shall be made in the same manner.

Adjustments to schedules shall only be made if an incorrect schedule was used by one CONTROL AREA. Schedules shall not be adjusted after-the-fact due to marketing considerations or adjustments during the billing procedure.

C. On-Peak and Off-Peak Periods

Section C rewritten so that it does not need updating each year.

1. On-Peak and Off-Peak Hours (Monday Through Sunday)

- 1.1. **On- and off-peak designation.** The hourly inadvertent energy created by a Control Area is classified as either on-peak or off-peak inadvertent. The peak designation assigned is a function of hour of day, day of week, time zone, prevailing time (standard or daylight savings), and special holiday status.
- 1.2. **Daylight saving time.** The on-peak to off-peak and off-peak to on-peak boundary hours are unaffected by transitions to or from daylight savings time. If a Control Area remains on either standard or daylight savings time throughout the year, their inadvertent accounting practices shall use prevailing time.
- 1.3. **On-peak hours.** Each Interconnection has a reference time zone and standardized on-peak and off-peak periods. On-peak periods are summarized in the table below for each Interconnection. Sundays and special holidays are designated to be off-peak periods for the entire day. Hours for Monday through Saturday that are not shown in the table below are also designated as off-peak hours.

2. On-Peak Hours For Monday Through Saturday In Hour-Ending Format

<i>Interconnection</i>	<i>Reference Time Zone</i>	<i>Hour Ending</i>	
		<i>From</i>	<i>To</i>
Eastern	Central	0700	2200
ERCOT	Central	0800	2200
Western	Pacific	0700	2200

3. Additional Off-Peak Holidays for the Eastern and Western Interconnections

There are six identified holidays each year:

- New Year’s Day
- Memorial Day
- Independence Day
- Labor Day
- Thanksgiving Day
- Christmas Day

ERCOT does not specify holidays as off-peak days.

Based on historic trends, the Resources Subcommittee decided that holidays can be treated consistently.

If any of these holidays fall on a Sunday, the following Monday will be considered an off-peak day. Otherwise, the off-peak day will be the holiday itself.