

June 26, 1997

The Honorable Lois D. Cashell, Secretary  
Federal Energy Regulatory Commission  
888 First Street, N.E.  
Washington, DC 20426

**References: Docket No. RM95-9-003; Order No. 889-A: “Open Access Same-Time Information System and Standards of Conduct”, March 4, 1997**

**“Notice of Technical Conference and Clarification of Procedures for Developing Scheduling Requirements”, June 25, 1997**

Dear Madam Secretary:

### **Introduction**

The OASIS How Working Group (How WG) respectfully requests the Commission:

1. Extend the due date of the revised Phase 1A OASIS Standards and Communication Protocols (S&CP) from June 30, 1997 to July 9, 1997 for submittal of a discussion draft in support of the Commission’s Technical Conference on July 18, and to August 15, 1997 for the final submittal.
2. Extend the due date of a report on Phase 2 implementation plan and schedule from August 4, 1997 until September 19, 1997.
3. Clarify whether unmasking of source and sink identity on OASIS is required, and if so, at what time in the reservation and scheduling process.
4. Approve our proposed interim steps to implement on-line price negotiation and disclosure of discounts within the current Phase 1 OASIS by August 31, 1997.

Further explanation and justifications are provided below.

### **Extension of Due Date for Revised Standards and Communication Protocol**

In its March 4, 1997 Rehearing Order 889-A, the Commission requested the How WG propose revisions to the OASIS S&CP in response to the Commission’s new policies on transmission service price discounting and on-line negotiation. The Commission also issued a notice on May 12, 1997 granting an extension until June 30, 1997 for submittal of the revised S&CP document.

We have worked diligently for several months to reach consensus on changes to OASIS necessary to accomplish the Commission’s goals regarding price discounting and on-line negotiation. We have also been resolving, in cooperation with the newly formed

Commercial Practices Working Group<sup>1</sup>, numerous business process issues that have been identified in Phase 1 OASIS, such as time limits for customer confirmation, the use of “sliding windows” to define transmission service periods, and standardization of product names and attributes. We have labeled this next step of FERC requested changes and other improvements as Phase 1A OASIS.

Despite our efforts, we cannot complete the necessary changes to the Phase 1A S&CP by June 30. We request the following revised schedule for the Phase 1A standards:

- July 9, 1997 - Filing of draft Phase 1A S&CP for discussion at the Commission’s July 18 Technical Conference on OASIS. A presentation will be made at the conference highlighting the major changes proposed to the standards.
- August 15, 1997 - Submittal of the final Phase 1A S&CP, with any additional revisions necessitated by discussions at the conference.
- Based on our current understanding of Phase 1A requirements, the How WG is proposing an implementation date for OASIS Phase 1A at six months from the effective date of the revised S&CP standards.

### **Extension of Due Date for Phase 2 Report**

With extensive resources being applied to resolving current issues in Phase 1 OASIS and preparing a revised S&CP for Phase 1A, the industry has not been able to progress substantially in the definition of Phase 2 scope and requirements. The How WG, NERC and others will make presentations at the Technical Conference outlining proposals for Phase 2. We request the Commission extend until September 15, 1997 the due date for a report from the industry which would include a proposed scope, implementation plan, and schedule for Phase 2 OASIS.

### **Unmasking of Source and Sink Identity on OASIS**

In its March 4, 1997 Rehearing Order 889-A, the Commission stated:

“We agree with APPA that the masking provision should be dropped and we are amending our regulations accordingly. We are making this decision as part of our new discounting policy, that we explain more fully above and in Order No. 888-A. Consistent with this finding, we request that the How Working Group eliminate any references in the Standards and Protocols document to masking the identities of parties (e.g., § 4.3.7(b)). This should be done in concert with the report to be submitted no later than June 2, 1997.”

There has been confusion in the industry as to whether unmasking of information on OASIS should have taken place by the effective date of the Rehearing Order (May 13, 1997) or as part of the revisions to the S&CP in Phase 1A. Our present understanding is that unmasking of information on OASIS was intended by the Commission to be implemented by the effective date of the Rehearing Order. Because this change requires

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<sup>1</sup> The Commercial Practices Working Group is an industry forum to discuss and resolve business process issues related to electric market operations. The group is represented by all industry segments, equally balanced between transmission providers and customers. The group is facilitated by the North American Electric Reliability Council, but is independent of that organization and its committee structure.

modification to OASIS software programs and because there has been confusion up to this point, we propose that all transmission providers unmask information on Phase 1 OASIS as soon as practical, but in no case later than August 31, 1997.

There is continued confusion as to whether unmasking of information identifying source and sink is presently required. We believe there are conflicts in the Pro Forma Tariff and current regulations regarding this issue and that the Rehearing Orders 888-A and 889-A do not provide explicit clarification on this point. We therefore request further clarification as to whether the identity of source and sink is intended to be unmasked on OASIS, and if so, at what point in the reservation and scheduling process.

There has been discussion of this issue by the Commercial Practices Working Group and the How WG. A summary of these discussions is as follows:

- Transmission providers generally do not have a preference on this issue, although it is technically easier for them if there is no masking on OASIS at all.
- Transmission customers involved in merchant activities strongly support having source and sink identity masked from competitors indefinitely or for as long as possible because they consider this information to be business sensitive.
- A recent change to Operating Policy 3 on Interchange Operations by the North American Electric Reliability Council (NERC) requires that:
  - For system security purposes, merchants must disclose source and sink identity to system operating authorities and security coordinators at the time energy schedules are submitted, so that security impacts may be evaluated.
  - This information is handled confidentially, with disclosure only to operating authorities, security coordinators, and merchants who are party to the transaction; it remains confidential from merchants not party to the transaction.

### **Interim Measures to Achieve On-line Price Negotiation and Disclosure of Discounts in Phase 1 OASIS**

The Commission requested in Rehearing Order 889-A that the How WG suggest ways to implement on-line price negotiation and disclosure of discounts using the existing OASIS Phase 1 templates. Our proposals are briefly outlined here for Commission approval. The scheduled implementation date for these interim steps is August 31, 1997, if the Commission is agreeable to the concepts as proposed here.

On-line price negotiation is proposed in Phase 1 by allowing the customer to modify the *price* field when submitting a request to purchase transmission service using the *transrequest* template. This would require a minor change to most OASIS nodes. The provider response in the *transtatus* template would be *accepted* if the bid is approved and *denied* if the bid is not acceptable. The reason for denial would be shown in the *comments* field. The *transtatus* template would retain the customer's bid price as a permanent record, whether accepted or not. If the request is denied for price reasons, the customer could repeat the process by submitting a new request with a different price bid.

Disclosure of discounts given will be accomplished on an interim basis using the existing *message* template. A category called *discounts* will be added to Phase 1 OASIS to indicate messages which contain discount information. The provider will be required to indicate information such as *service type, path, POR, POD, customer name, price,* and terms of the discount. If a discount is given on a posted product, it is also required that the transmission provider change the posted offer price to match the discount.

While the How WG is proposing use of the *message* template to record all discounts given, we believe this interim approach will be only marginally effective in achieving the Commission's objectives. The information on discounts given will be provided in a text message, with no capability to search by product, customer, path, POR, or POD. A customer seeking information on discounts given will have to scroll through the discount messages to find relevant information. The only search capability will be based on the time the message is posted. A new *discount* template is being prepared for OASIS Phase 1A, which will allow reasonable search capabilities based on these parameters. The OASIS How WG requests that the Commission consider postponing the requirement to post information on discounts given until a more practical and useful solution can be developed in OASIS Phase 1A.

The OASIS How WG wishes at this time to clarify the definition of a discount. We understand the Commission's definition of a discount to be any price below the tariff or ceiling price. However, for the purpose of implementation on OASIS, it is not practical to define a discount given as any price below the tariff price. We propose that a discount is given any time the provider/customer negotiated price is below the posted offer price. The reasoning is that a posted offer price is already publicly available to all potential customers and does not require specific disclosure each time this price is given. From an OASIS perspective only a discount less than the posted offer price should trigger the requirement to disclose the details of the discount using the proposed new template.

## **Conclusion**

On behalf of transmission customers and providers, thank you for continuing to work closely with the industry in developing standards for electric market operations and information systems.

Sincerely,

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