



Market Rule Amendment Submission

This form is used to request an amendment to, or clarification of, the *Market Rules*. Please complete the first four parts of this form and submit the completed form by email or fax to the following:

Email Address: Rule.Amendments@theIMO.com

Fax No.: (416) 506-2847 Attention: Market Rules Group

Subject: *Market Rule Amendment Submission*

All information submitted in this process will be used by the *IMO* solely in support of its obligations under the *Electricity Act, 1998*, the *Ontario Energy Board Act, 1998*, the *Market Rules* and associated policies, standards and procedures and its licence. All submitted information will be assigned the *confidentiality classification* of “public” upon receipt. You should be aware that the *IMO* will *publish* this *amendment submission* if the *Technical Panel* determines it warrants consideration and may invite public comment.

Terms and acronyms used in this Form that are italicized have the meanings ascribed thereto in Chapter 11 of the *Market Rules*.

PART 1 – SUBMITTER’S INFORMATION

Please enter contact information in full

Name: IMO Staff	
(if applicable) Market Participant / Metering Service Provider No. ¹:	Market Participant Class:
Telephone: (416) 506-2801	Fax: (416) 506-2847
Email Address: rule.amendments@theimo.com	

PART 2 – MARKET RULE AMENDMENT SUBMISSION INFORMATION

Subject: Settlement and Dispute Resolution
Title: Revisions to Settlement Statement Re-Calculation Obligations
Nature of request (please indicate with X): ___ Alteration ___ Deletion ___ Addition ___ Clarification
Chapter: 9 Appendix: Sections: 6.8
Sub-sections proposed for amending/clarifying : 6.8.1, 6.8.7, 6.8.6.1 and 6.8.6.2; 6.8.3-6.8.6; 6.8.11

¹ This number is a maximum of 12 characters and does not include any spaces or underscore.

PART 3 – DESCRIPTION OF THE ISSUE

Provide a brief description of the issue and reason for the proposed amendment. If possible, provide a qualitative and quantitative assessment of the impacts of the issue on you and the *IMO-administered markets*. Include the Chapter and Section number of the relevant market rules.

Section 6.8 of Chapter 9 of the market rules specifies IMO obligations with respect to the publication of information relating to settlement statement re-calculations, arbitrator's obligations with respect to settlement statement dispute decisions and permissions for the IMO to effect a settlement statement re-calculation. The IMO has identified the following two issues with respect to these market rules.

First, the IMO obligations to publish information contained in section 6.8 are no longer relevant or meaningful: (i) subsection 6.8.1 requires the IMO to publish a standard charge that it will levy for each settlement statement re-calculation; and (ii) subsection 6.8.7 requires that the IMO publish the designated adjustable billing range described in subsection 6.8.6.1 and the threshold amount described in subsection 6.8.6.2.

(i) The standard charge contemplated in subsection 6.8.1 was originally intended to deter market participants from making unsubstantiated requests for a settlement statement re-calculation. Since market commencement, the IMO has not been asked to do a settlement statement re-calculation by a market participant or been ordered to do one by an arbitrator. All adjustments to settlement statements to date have been effectively managed through off-line calculations and current period adjustments. Further, in circumstances where an arbitrator orders a settlement statement re-calculation, the IMO would not levy a charge to the market participant because a re-calculation would only be ordered if the arbitrator had determined that the market participant was justified in bringing forward the dispute. In such circumstances, the application of the charge would not be appropriate.

(ii) For the reasons noted below, IMO determination of an adjustable billing period and threshold amount is not appropriate and therefore publication of these quantities is also not appropriate.

Second, sections 6.8.3 through 6.8.6 and 6.8.11 effectively and inappropriately allow the IMO to restrict an arbitrator's decision-making scope and second-guess an arbitrator's order regarding a settlement statement re-calculation. The purpose of subsections 6.8.6.1 and 6.8.6.2 was to allow the IMO to effect a settlement statement re-calculation (ordered by an arbitrator) by means of a current period adjustment i.e. make adjustments to the affected and other market participant settlement amounts on the basis of current allocated quantities rather than quantities related to the event triggering the need for the re-calculation. The IMO would be so permitted provided that a calculation window referred to as an adjustable billing period had not lapsed and a threshold amount had not been exceeded. It is more appropriate that the considerations regarding the application of a settlement statement re-calculation be included as suggested guidelines that the arbitrator may consider in the dispute resolution section of the market rules (Chapter 3 section 2). These guidelines should include factors such as the dollar amount under dispute; the IMO's capability to re-calculate the settlement amounts on the basis of historical allocated quantities (e.g. availability of historical market system software and data); and the time lapsed since the event triggering the need for the re-calculation.

PART 4 – PROPOSAL (BY SUBMITTER)

Provide your proposed amendment. If possible, provide suggested wording of proposed amendment.

Amend the market rules by removing subsections 6.8.1, 6.8.7, 6.8.6.1 and 6.8.6.2 (the sections containing the obligations to publish the standard market charge, the adjustable billing period and the threshold amount), and remove the sections that could limit the arbitrator's flexibility in reaching a decision and replace them with guidelines to assist the arbitrator, in the dispute resolution section of Chapter 3.

PART 5 – FOR IMO USE ONLY

Technical Panel Decision on Rule Amendment Submission	
MR number: MR-00262-Q00	
Date submitted to Technical Panel: 21 Jul 04	
Accepted by Technical Panel as: <input checked="" type="checkbox"/> General <input type="checkbox"/> Urgent <input type="checkbox"/> Minor (please indicate with X)	Date: 27 Jul 04
Criteria for acceptance: It identifies a means to better enable the market to satisfy the market design principle of transparency. Because the rules referred to above do not reflect the current practices and the actual decision-making scope and authority of the arbitrator within the dispute resolution framework, market participants, on reading the rules, would not have a clear understanding of IMO and settlement dispute resolution processes.	
Priority: Low	
Criteria for assigning priority: There has not yet been an arbitrator order for a settlement statement re-calculation since market commencement and it is not expected that such an order would occur very frequently.	
Not accepted (please indicate with X):	
Clarification/interpretation required (please indicate with X):	
Technical Panel minutes reference: IMOTP 147-1	
Technical Panel Comments:	