

Electric Utility Industry Examples

A. Disputes Resolved Using ADR

Pancaked rate dispute

Description. At the request of the Commission's Office of General Counsel and with the assistance of a Subject Matter Expert from the Office of Markets, Tariffs and Rates, the DRS mediated a dispute over pancaked rates in a case involving a steam electric facility that is jointly owned by two electric utility companies.

There were also pending rehearing requests on pancaked rate issues involving the two companies in three other dockets. Through an ADR process which began in August 2000, the technical business leaders of each of the companies were able to resolve the disputes in all four dockets. The entire process was completed within six months.

Benefits. The resolution of these dockets through use of ADR saved resources of the companies and the Commission and resulted in better business relationships between the leaders of the two companies. As a result, it is likely that more disputes will be avoided or resolved earlier and amicably between these business leaders.

Complaint concerning billing dispute and business venture interests

Description. The DRS contacted parties involved in a complaint filed with the Commission about a dispute over monies for transmission losses. The case also concerned interests regarding cooperative business ventures, and disputes over other monies. The DRS explored with the parties about meeting to discuss the dispute, with the assistance of the DRS. They agreed, and in two face-to-face meetings and several teleconferences, the parties were able to resolve the issues and improve their working relationship. As an additional part of their agreement, they agreed to swap energy from each others' generators and thereby reduce transmission losses.

Benefits. The mediation process established an opportunity for the parties to resolve their immediate differences and improve their working relationship. The parties were able to address communication

issues so that they are now able to work cooperatively with each other. This renewed dialog should reduce disputes in the future, which in turn, will result in fewer complaints and a savings in time and costs both for the parties and the Commission.

ADR assistance during Standardized Generator Interconnect ANOPR

Description. From November 2001 to January 2002, DRS facilitated a stakeholder process for members of the electric industry to help shape the results of the standardized generator interconnection Notice of Proposed Rulemaking (NOPR) and to reduce and improve the quality of comments on the planned-for NOPR. The DRS team organized over 250 individual participants into five caucus groups to negotiate parts of the draft NOPR.

This intensive negotiation process occurred over a three-month period and included trips to Philadelphia and Denver to involve state representatives. Key negotiators from each of the respective caucus groups worked with Commission staff in the public processes. The negotiators were able to reach agreement on a substantial number of important issues and to narrow the issues where there was disagreement.

Consequently, after the Standardization of Generator Interconnection Agreements and Procedures NOPR (RM02-1-000) was issued on April 24, 2002, the Commission received more focused comments than it would have without the facilitated process.

Benefits. The DRS processes gave the key interested parties an opportunity to work with Commission staff in addressing a substantial number of important issues, or narrowing the issues where there was disagreement. Thus, fewer and more focused comments were filed in response to the NOPR, thereby, reducing staff time and improving the likelihood that the Commission would draft a comprehensive rule that focused on the identified needs of the parties.