

## **Network Integration Transmission Service Power Billing Adjustment Policy**

### Introduction

On April 1, 1999, the Desert Southwest Region (DSW) of the Western Area Power Administration (WAPA) put into effect Rate Order No. WAPA084 which offered, among other types of transmission service, network integrated transmission service (Network Service) on its transmission systems. The definition of network service and the methodology for calculating the charge for this service are expressly delineated in Part III of Western's open access transmission tariff (OATT) in accordance with the Federal Energy Regulatory Commission's (FERC or Commission) Order 888.

A customer desiring to take network service from Western must apply and conform to the process and provide the information indicated in Section 29 of the Western's OATT. Prior to commencement of service, the transmission provider, network customer, or a third party will have installed all equipment specified under the network operating agreement consistent with good utility practices and any additional requirements reasonably and consistently imposed to ensure the reliable operation of the transmission provider's system.

### Description of Service

As defined in Western's OATT, the transmission provider (DSW) will provide firm transmission service over its transmission system to the network customer for the delivery of capacity and energy from its designated network resources to service its network load on a basis that is comparable to the transmission provider's use of the transmission system to reliably serve its native load.

Section 34 of Western's Tariff provides the methodology for charging for Network Service. The section provides that: the network customer shall pay a monthly demand charge, which shall be determined by multiplying its load ratio share (LRS) times one twelfth (1/12) of the transmission provider's annual transmission revenue requirement. The network customer shall also pay the transmission provider for any ancillary or other services provided to the customer.

### Network Service Billing Errors

As noted above, network integration transmission service is offered under DSW's OATT in accordance with FERC Order 888. Additionally, to receive network service, a customer must have metering and any other required equipment installed at each point of receipt and delivery so that the transmission service it receives can be accurately determined and billed. However, errors and inaccuracies in the data used to calculate the customers' bills are inevitable.

Meters may fail and, therefore, introduce corrupted data into the billing system. Other errors, including human errors in entering data or checking or omitting pertinent data may also enter the billing process, and result in an incorrect billing to the customer. An adjustment process has been implemented to correct billing errors encountered in the DSW billing process for Network Service. The Network Service billing adjustment process developed by the DSW is presented below.

### Network Service Billing Adjustment Process

Network Service billing adjustments will be performed when an error has been determined to have occurred. Determination whether a Network Service billing adjustment will be necessary is decided on a customer impact basis. Adjustment analysis considers data discrepancies related to either, the customer's network metered load or the data utilized to determine the system peak load. Adding or removing a network customer to or from DSW's customer base, will not cause a Network Service billing adjustment.

Network Service adjustment analysis requires extensive processing of data to determine the discrepancies of metered and contractual kW values that could affect Network Service billing results. In general, Transmission Providers often utilizes various thresholds to limit the amount of processing required for adjustment analysis due to minor discrepancies. Although as a result of Network Service automation at DSW, all kW discrepancies affecting Network Service billing operations are considered for Network Service adjustment analysis.

Adjustment analysis entails comparing a customer's network use and the system peak values for each month in the adjustment period to the recalculated network use and system peak values obtained at the time of adjustment processing. Value differences are summarized and included as part of the adjustment report, which is sent to the network customers. A customer's net billing adjustment is calculated to determine if the minimum billing adjustment amount (MBAA) has been satisfied. If a customer's net billing adjustment is equal to or exceeds the MBAA, the total adjustment amount will be applied (as either a debit or credit) to the customer's monthly billing charges on the following billing service period. If the customer's net billing adjustment is less than the MBAA, no billing adjustment will be applied to the customer's bill as a result of the corresponding Network Service adjustment analysis.

For the DSW Network Service billing adjustment process, the MBAA for an adjustment period has been determined to be \$300. This amount is based on the cost associated with the time and effort required by the personnel involved with the billing and data review processes in order to perform the billing adjustment operations.