

CHAPTER 25. SUBSTANTIVE RULES APPLICABLE TO ELECTRIC SERVICE PROVIDERS

Subchapter I. TRANSMISSION AND DISTRIBUTION.

DIVISION 1. OPEN-ACCESS COMPARABLE TRANSMISSION SERVICE FOR ELECTRIC UTILITIES IN THE ELECTRIC RELIABILITY COUNCIL OF TEXAS.

§25.193. Distribution Service Provider Transmission Cost Recovery Factors (TCRF).

- (a) **Application.** The provisions of this section apply to all investor-owned distribution service providers (DSPs) providing distribution service within the Electric Reliability Council of Texas (ERCOT) region to retail electric providers and other customers of the distribution system.
- (b) **TCRF authorized.** A distribution service provider subject to this section that is billed for transmission service by a transmission service provider (TSP) pursuant to §25.192 of this title (relating to Transmission Service Rates) shall be allowed to include within its tariff a TCRF clause which authorizes the distribution service provider to charge or credit its customer for the cost of wholesale transmission cost changes approved or allowed by the commission service to the extent that such costs vary from the transmission service cost utilized to fix the rates of the distribution provider. The DSP may only update its TCRF twice a year on March 1 and September 1 of each year to pass through the wholesale transmission cost changes billed for by a TSP. The terms and conditions of such TCRF clause shall be approved by an order of the commission. Compliance tariffs shall be filed with the commission 30 days after the approval of this section.
- (c) **TCRF Formula.** The TCRF for each class shall be computed pursuant to the following formula:

$\frac{[\sum_{i=1}^N (NWTR_i * NL_i) - \sum_{i=1}^N (BWTR_i * NL_i)] * ALLOC}{BD}$	
Where:	<p>NWTR_i is the new wholesale transmission rate of a TSP, approved by the commission by order or pursuant to commission rules, since the DSP's last rate case;</p> <p>Σ BWTR_i is the base wholesale transmission rate of the TSP represented in the NWTR_i, used to develop the retail transmission charges of the DSP, in the DSP's last rate case;</p> <p>NL_i is the DSP's individual 4CP load component of the total ERCOT 4CP load information used to develop the NWTR_i;</p> <p>ALLOC is the class allocator approved by the commission to allocate the transmission revenue requirement among classes in the distribution service provider's last rate case, unless otherwise ordered by the commission; and,</p> <p>BD is each class' annual billing determinant (kWh, or kW, or kVa) for the previous calendar year.</p>

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- (d) **TCRF charges.** A DSP's TCRF charge shall remain in effect until adjusted under this section or its delivery rates change, following a rate proceeding that it or the commission initiates.
- (e) **Reports.** The distribution service provider shall maintain and provide to the commission, semi-annual reports containing all information required to monitor the costs recovered through the TCRF clause. This information includes, but is not limited to, the total estimated TCRF cost for each month, the actual TCRF cost on a cumulative basis, and total revenues resulting from the TCRF. The reports will be filed on March 31 and September 30 of each year.