Transmission Loss Percentage Calculation Revision

ATC Customer Meeting

June 22, 2015

atcllc.com

Background

- MISO in 2011 raised the need for clarity on how losses should be reflected in Network Loads reported for transmission billing
  - Transmission Owners were using multiple methods
  - ATC calculates an annual loss percentage
    - Whitepaper on accounting for losses posted at: http://www.atcllc.com/wp-content/uploads/2013/10/ATCTransmissionLossesWhitePaper_100713.pdf

- In the latter part of 2014, MISO filed – and FERC approved – tariff revisions addressing losses
  - Defined transmission losses
  - Established uniform treatment of losses in Network Loads

Loss Percentage Calculation

- Key elements for calculating loss percentage for each Transmission Owner's pricing zone or system:
  - Transmission Owner's monthly peaks for 12-consecutive-month period used
  - Based on withdrawals and State Estimator losses reported in Residual Load Account (RLA) S105 settlement statements

$$LP = \sum_{12} Losses_{SE} \Bigg/ \left[\sum_{12} Withdrawals + \sum_{12} Losses_{SE} \right]$$
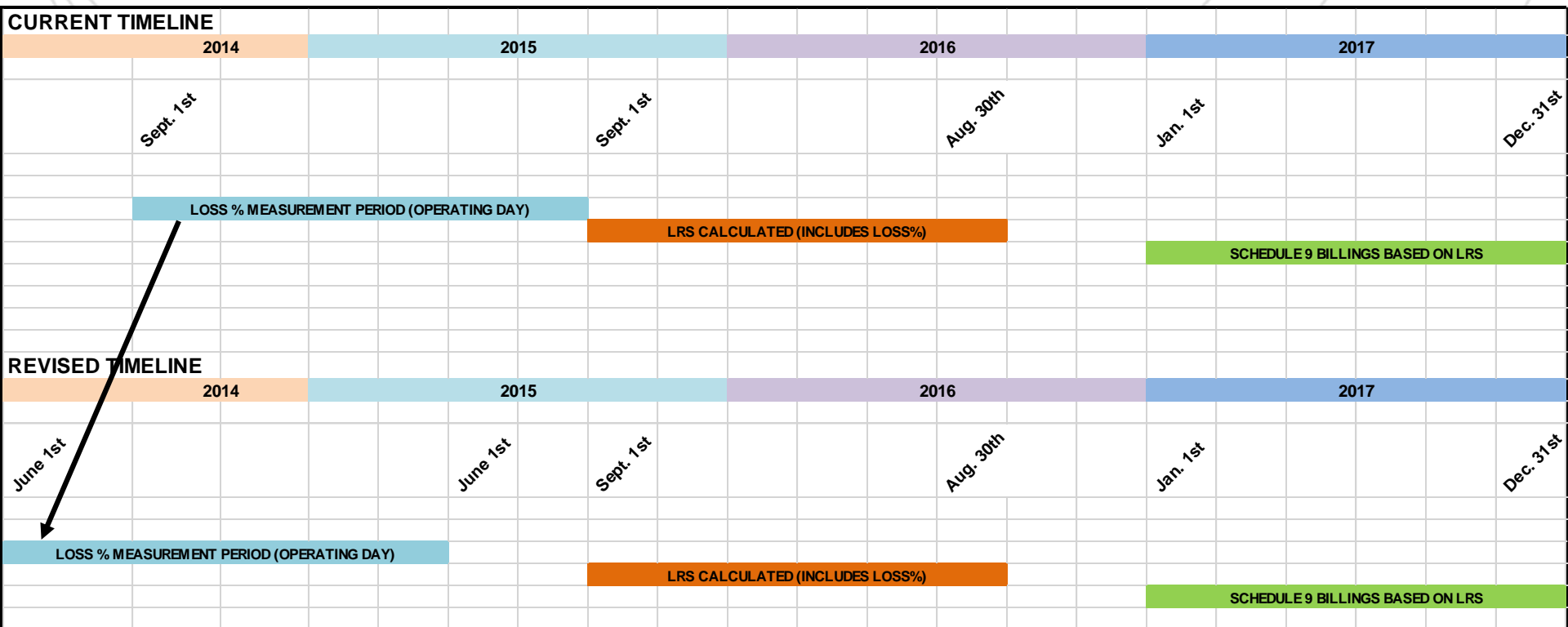
- Loss percentages will be effective for 12 months and updated annually coincident with Attachment O updates

Revisions to ATC's Loss Calculation Process

- Loss calculation method same as ATC's former approach, except for data used: S105 from RLA statements

- Required changes to ATC's process:
  - Need to obtain S105 data for LBA-level losses and withdrawals from MISO
  - Data would be for operating days from June to May

Integration of Process with NITS Billing

- Calculation of load ratio share used for Network Integration Transmission Service billing will not change

CURRENT TIMELINE

2014	2015	2016	2017

Sept. 1st | Sept. 1st | Aug. 30th | Jan. 1st | Dec. 31st

LOSS % MEASUREMENT PERIOD (OPERATING DAY)

LRS CALCULATED (INCLUDES LOSS%)

SCHEDULE 9 BILLINGS BASED ON LRS

REVISED TIMELINE

2014	2015	2016	2017

June 1st | June 1st | Sept. 1st | Aug. 30th | Jan. 1st | Dec. 31st

LOSS % MEASUREMENT PERIOD (OPERATING DAY)

LRS CALCULATED (INCLUDES LOSS%)

SCHEDULE 9 BILLINGS BASED ON LRS

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Questions