

October 25th Workshop Follow Up Question and Response:

Question: How are Billing Credits reflected in the current 7(b)(2) Rate Test and how were they reflected in the past?

Response: The treatment of Billing Credits in the 7(b)(2) Rate Test remains consistent between current analysis presented in the Post 2028 REP process and the 2012 REP Proceeding which is informed by the 2008 Legal Interpretation and Implementation Methodology. Any costs associated with Billing Credits are removed from both the Program Case and the 7(b)(2) Case. Similar to Conservation, the effects of Billing Credits are removed from the 7(b)(2) Case by increasing 7(b)(2) loads by an amount equal to the Billing Credit Resources included in the Resource Stack. If a Billing Credit resource is called upon from the Resource Stack the 7(b)(2) Case Loads are decreased and the associated resource cost is added to the 7(b)(2) Case.