

## **21. Compensation for Distribution Service**

### **21.1 Charges Under the Tariff**

The Distribution Customer shall pay the Distribution Provider the Monthly Charge for Distribution Service, applicable study costs, and any penalties assessed pursuant to the Service Agreement, consistent with Commission policy. Any charges for Real Power Losses, Ancillary Services, and Transmission Service shall be paid by the Distribution Customer pursuant to the ISO Tariff or TO Tariff.

### **21.2 Monthly Charge for Distribution Service**

The Distribution Customer shall pay the Distribution Provider the applicable monthly Customer Charge and Demand Charge set forth in the Service Agreement.

#### **21.2.1 Determination of the Monthly Charge for Distribution Service to Serve Wholesale Distribution Load**

The rates charged for Distribution Service from the ISO Grid to Wholesale Distribution Load shall be based on the costs of only those Distribution System facilities used to provide Distribution Service to the Distribution Customer. Upon receipt of a Completed Application, the Distribution Provider will undertake an engineering study, and any other studies pursuant to Section 16, if required, to identify such facilities. The costs of the identified facilities, including any Direct Assignment Facilities and Distribution System Upgrades, shall be directly assigned or allocated to the Distribution Customer based on the Distribution Customer's proportionate share of the total load served from the facilities. Such proportionate share shall be based on the non-coincident peak demands

served by those facilities. A traditional revenue requirement will be calculated for the costs of the identified facilities directly assigned and allocated to the Distribution Customer. The monthly Demand Charge shall be calculated by dividing the Distribution Customer's annual revenue requirement for the identified facilities allocated to the Distribution Customer by the sum of the Distribution Customer's twelve monthly maximum peak demands imposed on the Distribution System. The monthly Facilities Charge shall be calculated by dividing the Distribution Customer's annual revenue requirement for the identified facilities directly assigned to the Distribution Customer by twelve. The monthly Customer Charge shall be based on the annual revenue requirement for customer accounting expenses attributable to the Distribution Customer.

#### **21.2.2 Monthly Charge for Distribution Service for Generation**

The monthly charge for Distribution Service for Generation from a Resource to the ISO Grid shall be set forth in its Service Agreement for Wholesale Distribution Service and/or its generator interconnection agreement.

#### **21.2.3 Monthly Charge for Charging Distribution Service**

The methodology for determining whether a Distribution Customer with Charging Capacity shall pay for Higher-of Facilities or a monthly Demand Charge Rate (times the Contract Demand stated in its Service Agreement) is set forth in Attachment K. The monthly Demand Charge Rates for the Service Levels and service types of Charging Distribution Service shall be set forth in Attachment K to the Tariff. The monthly operations and maintenance charge for a Distribution Customer that has paid for Higher-

of Facilities will be set forth in its generator interconnection agreement.  
All Distribution Customers with Charging Capacity shall pay a monthly  
Customer Charge, which shall be set forth in Attachment K.