

# BPA Policy 481-1

## Customer Billing

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## 481-1.1 Purpose & Background

This policy establishes requirements and responsibilities for billing BPA's Power Services and Transmission Services contracts. The objectives of this policy are to:

- A. Promote operational consistency and sound management direction for billing BPA's Power Services and Transmission Services contracts, and
- B. Provide guidelines to decision makers for establishing transparent and auditable Billing Processes.

## 481-1.2 Policy Owner

This policy is owned by the Customer Support Services (CSS) Director. The Customer Billing (KSB) organization is responsible for monitoring, reporting, evaluating, and interpreting this policy, and for soliciting internal feedback and implementing revisions.

## 481-1.3 Applicability

This policy applies to all BPA organizations that participate in implementing the Billing Process for BPA's Power Services and Transmission Services contracts.

## 481-1.4 Terms & Definitions

- A. **Billing Adjustment:** An adjustment made to a previously paid Customer Bill prepared by Customer Billing.
  - 1. **Contractual Billing Adjustment:** A Billing Adjustment made by application of an Executed Contract.
  - 2. **Corrective Billing Adjustment:** A Billing Adjustment resulting from a correction to a miscalculated charge or credit; or from correction to billing factor determinant data.
- B. **Billing Process:** The activities performed by Customer Billing which include accurate and timely bill preparation and issuance, revenue and billing data analysis, report preparation, and customer bill reviews. These activities are performed following the established Customer Billing policies, procedures, standards, and internal controls.
- C. **Contract:** A promise to do something (e.g., perform work, provide a service) in return for a benefit (e.g., monetary payment, performance of an action, or other consideration).
- D. **Contract Action:** A Contract or an amendment, modification, exhibit revision, exhibit table revision, appendix revision, or termination to an existing Contract initiated by BPA or a Counterparty.
- E. **Counterparty:** Any non-BPA party to a Contract with BPA, including customers.
- F. **Customer Bill:** A monthly bill prepared by Customer Billing using the Customer Billing Center in accordance with the customer's Power Services or Transmission Services

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| Author<br><b>M. Foeller</b>                           | Approved by<br><b>Director, Customer Support Services</b> | Date<br><b>November 11, 2016</b>         | Version<br><b>1.0</b>     | Page<br><b>2</b> |

contract; Power and Transmission Rate Schedules & General Rate Schedule Provisions; and the Billing Process.

- G. **Customer Billing:** Customer Billing is responsible for coordinating, managing, and overseeing all activities related to the Billing Process.
- H. **Customer Billing Center (CBC):** BPA’s computerized billing application used in the Billing Process. The current system came online Feb. 1, 2010.
- I. **Latent Claim:** A party’s Contract claim that could not have been discovered through the normal course of business, and was not discovered by that party within the six year statute of limitations.
- J. **Tolling Agreement:** A Contract where BPA and the Counterparty agree to preserve debt or obligations with a new promise to pay that extends beyond the statutory time limit on filing a contract claim. Such Contracts allow both parties more time to resolve their dispute without litigation.

**481-1.5 Policy**

It is BPA’s policy that Customer Bills are generated using CBC in accordance with the procedures related to this policy and with the following criteria:

- A. Billing Contract Actions
  - 1. Customer Billing only includes executed Contract Actions for Power Services and Transmission Services in the Billing Process in accordance with *BPA Procedure 481-1-1 – Billing Contract Actions*.
  - 2. When the effective date of the executed Contract Action is retroactive, Billing Adjustments resulting from the Contract Action are approved in accordance with the Billing Adjustment sub-section of this policy.
- B. Billing in Whole Dollar Amounts
 

All charges and credits on a Customer Bill are rounded to whole dollar amounts, by eliminating any amount which is less than 50 cents and increasing any amount from 50 cents through 99 cents to the next higher dollar. Preparing Customer Bills in whole dollars is in accordance with *BPA Procedure 481-1-2 – Billing in Whole Dollar Amounts*.
- C. Billing Adjustment
 

Any Billing Adjustment made to a charge or credit after a Customer Bill has been paid must be approved in accordance with *BPA Procedure 481-1-3 – Billing Adjustments*.
- D. Retroactive Billing Adjustment Six Year Limit
 

BPA retroactively adjusts Customer Bills for a period not to exceed six years.<sup>1</sup> The six year period begins on the date the billing issue is identified by either BPA or a Counterparty. If the onset of the billing issue is in excess of six years, BPA limits the

<sup>1</sup> The six year period is the legal statute of limitations period for contract related actions in Federal court.

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retroactive billing adjustment to six years. The time period may be further limited due to a lack of reliable billing data. Customer Billing makes the adjustment in accordance with *BPA Procedure 481-1-4 – Retroactive Billing Adjustment Six Year Limit*.

E. Extended Payment Agreement

When a Billing Adjustment results in a charge to the customer in excess of \$100,000, BPA may negotiate an acceptable payment schedule for the collection of a claim against a customer. This policy only applies where a claim is embodied in a Billing Adjustment for previously unbilled amounts. If the customer is unwilling to reach an acceptable payment schedule, BPA’s Financial Policy, Debt Collection Policy then applies. An Extended Payment Agreement may be executed in accordance with *BPA Procedure 481-1-5 – Extended Payment Agreement*.

**481-1.6 Policy Exceptions**

- A. In rare instances, an Account Executive may provide an email to the Customer Account Team documenting the information of a billing change. This will only be allowed to facilitate timely changes to a customer bill during the interim period before the billing change is documented by an executed Contract Action. Requirements described in BPA Procedure 481-1-1, Billing Contract Actions, must be followed.
- B. The replacement of single-direction meters with new bi-directional meters can be implemented in the Billing Process without adhering to the requirements under the Billing Contract Actions Procedure.
- C. The following Billing Adjustments can be processed without adhering to the requirements under the Billing Adjustment Procedure:
  - 1. When a Billing Adjustment is made to include data that were unavailable when the Customer Bill was prepared (e.g., when a Customer Bill is prepared using an estimated meter reading and then subsequently adjusted when actual data becomes available).
  - 2. When a Billing Adjustment is made for a Slice Unauthorized Increase Charge as determined by the Slice Penalty Review Team in accordance with their Team Charter.
  - 3. When a Billing Adjustment is approved by the VP of Bulk Marketing, Northwest Requirements Marketing, or Generation Asset Management as recommended by the Power Decision Team or other forums where KS is a voting member.
  - 4. When a Billing Adjustment results from a Settlement or Waiver as addressed in the Contract Lifecycle Management Policy 482-1.
  - 5. When a Billing Adjustment results from a court order.
  - 6. When a Billing Adjustment is made pursuant to the Administrator’s authority.
- D. This policy does not apply to claims covered by Latent Claims or Tolling Agreements.

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## 481-1.7 Responsibilities

### A. Customer Support Services Director

Pursuant to *BPA Policy 130-6 – Functional Statement for Office of the Chief Operating Officer* the Customer Support Services Director is the policy owner for BPA internal policies in the areas of customer billing, customer contracts, metering, load forecasting, and related systems managed by Customer Support Services.

### B. Customer Billing Organization

- 1) Coordinates, manages, and oversees all activities related to the Billing Process.
- 2) Monitors, reports on, evaluates, and interprets this policy and related procedures. Solicits feedback, proposes and deploys revisions, and provides training to affected staff.
- 3) Serves as the custodial Office of Record for Customer Bills, and maintains and operates the CBC.

## 481-1.8 Standards, Procedures & Policies

Reference the following policy and procedures to execute this policy:

- A. BPA Policy 482-1 – Contract Lifecycle Management
- B. BPA Procedure 481-1-1 – Billing Contract Actions
- C. BPA Procedure 481-1-2 – Billing Whole Dollar Amounts
- D. BPA Procedure 481-1-3 – Billing Adjustments
- E. BPA Procedure 481-1-4 – Retroactive Billing Adjustment Six Year Limit
- F. BPA Procedure 481-1-5 – Extended Payment Agreement

## 481-1.9 Performance & Monitoring

- A. Customer Billing reviews Customer Bills to ensure compliance with the requirements that are set forth in this Policy and referenced Procedures, using information from the CBC and the Billing Invoice Lookup System, Customer Billing’s official document storage application.
- B. To monitor the effectiveness of meeting the policy statements in Section 481-1.5, Customer Billing relies on the established Daily Bill Review process as defined in Billing Procedure, G-09 Daily Bill Review, monthly review of Customer Billing management reports (e.g., Revised Bill Report, Prior Period Adjustment Report, Billing Adjustment Log), and the annual A-123 review process.

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### 481-1.10 Authorities & References

This policy is established in accordance with the authorities outlined in *BPA Policy 130-6 – Functional Statement for Office of the Chief Operating Officer*.

### 481-1.11 Review

This policy is subject to an automatic sunset review to be conducted no later than October 1, 2020.

### 481-1.12 Revision History

| Version | Issue Date | Description of Change |
|---------|------------|-----------------------|
| 1.0     | 11/1/2016  | Initial publication   |
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