



North American Energy Standards Board

1100 Louisiana, Suite 3625, Houston, Texas 77002
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TO: NAESB Retail Electric Quadrant Customer Processes Subcommittee, Posting for Interested Industry Participants
FROM: Meghan McMillan, NAESB Staff
RE: Final Minutes from the NAESB Retail Electric Quadrant Customer Processes Subcommittee Meeting - November 7, 2002
DATE: November 19, 2002

**NAESB Retail Electric Quadrant
Customer Processes Subcommittee Meeting
Thursday, November 7, 2002
Final Minutes**

1. Welcome

Mr. Fenoglio opened the meeting and roll call was taken. Ms. Hess volunteered to fax the sign-in sheet to Ms. McMillan at the NAESB office. Mr. Fenoglio gave the antitrust guidelines. There were no additions or changes to the agenda. Ms. Hess motioned to adopt the agenda and Ms. Broadrick seconded. The agenda was adopted as written. It was noted that the draft minutes from September 18 and 19 would be separated by subcommittee. There were no other changes to those draft minutes, and Ms. Hess motioned to adopt the CPS portion, seconded by Mr. Newbold. The CPS draft minutes from September 19, 2002 were adopted as written.

2. Update from REQ EC Meeting

Mr. Minneman was invited to update the subcommittee on the results of the EC meeting.

3. Draft Policy Question for EC

Mr. Moran reviewed the discussion that led to the drafting of a question for the Executive Committee concerning how subcommittees deal with policy issues. It was noted subcommittees do not develop or recommend policy. The previous discussion dealt mainly with how subcommittees handle policy concerns. The consensus was subcommittees should capture policy concerns considered in the development of standards. There was some discussion at the last meeting about whether this violates NAESB's principle of not advocating policy. It was recommended where possible policy issued should be identified in as neutral a manner as possible. Preferably, policy matters should not be discussed.

Mr. Moran suggested extended discussion of this topic be postponed until further work has been done on the standards. It was suggested that as the subcommittee works, Mr. Moran keep a list of policy issues. It was agreed that a working list of these issues would be compiled, but no official document would be created. If a decision is made to develop an official document some time in the future, then it will be brought before the Executive Committee.



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4. Billing and Payments

Ms. Hess suggested using the term 'Model Business Practice' for standards developed within CPS. Mr. Alston opened the discussion on Billing and Payments. For a detailed record of redlined revisions to the work paper, see attached document.

Review Working Group Progress

Mr. Alston reviewed the progress of the working group including the work paper which was posted on the NAESB website. A suggestion was made to add an introductory section in order to facilitate producing a document that is more of a teaching tool/model. It was proposed that the group develop a basic set of standards with flexibility for differences. He reviewed the changes that were made to the document.

Discuss Redline Revisions

Ms. Alexander proposed this document not include how entities communicate with customers and that any language pertaining to this be removed. There was a consensus that the group would only include interaction between the billing party and the non-billing party.

It was agreed to add definitions of Consolidated Billing and Dual billing. It was agreed CPS would define the terms and decide where these definitions will be placed later. It was agreed to add the definition of Single Retailer to the document in a separate paragraph. It was decided that the language 'energy related charges' would be left as an open item and Mr. Moran volunteered to draft a definition for later discussion. Section B [Policy Issues] was removed from the document, and kept as a separate document to be discussed later. Item 5 in section C was moved into Enrollment and Switching pending further discussion. The first paragraph in Section D was removed. There was a proposal to add a definition of 'business day' in section 'g' (Bill Ready Billing Method).

Mr. Fenoglio reviewed outstanding tasks concerning this document. Suggestions should be sent to Mr. Alston, and the Single Retailer section needs to be outlined. Mr. Alston volunteered to send out all the changes made during the meeting. The working group that developed this document will not reconvene. Mr. Fenoglio will gather information from members from Texas to include in the document.

Finalize Billing and Payments Draft

Nothing was finalized at this time.

5. Customer Switching and Enrollment

This item was not discussed.

6. Other Business

The next meeting of the CPS will be hosted by Georgia Power and is set for January 6 and 7, 2003 in Atlanta. Dates have been set aside for the meeting after that on February 25 and 26 in Los Angeles. Comments on today's red-line document should be submitted to Mr. Alston by mid



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December so they may be incorporated into a single document incorporating all comments, which will then be distributed for review before the January meeting.

7. Adjourn

The meeting adjourned on Thursday, November 7, 2002 at 5:17 p.m. CDT.

Attendees:

Name	Company	In Person/Phone
Adams, Jack	ERCOT	In Person
Alexander, Barbara	Maine Public Advocate	In Person
Alston, Rick	Old Dominion Electric Cooperative	In Person
Aycock, Kimarie	AZ Public Service	Phone
Barkas, Bill	Dominion Retail	In Person
Beadles, Gwen	Dominion Virginia Power	In Person
Broadrick, Cherie	ERCOT	In Person
Brooks, Dick	PEPCO	In Person
Camp, Yvette	Southern Company Services	In Person
Carrier, Ron	Consumers Energy	In Person
Cody, Eric	National Grid	In Person
Connell, Rob	ERCOT	In Person
Corbin, Jason	Allegheny Power	In Person
Darnell, Dave	Systrends	In Person
Davis, Dale	Williams Gas Pipeline	In Person
Davis, Dorman	Southern Company Services	In Person
Dodd, Richard	Mississippi Power	In Person
Edwards, Mary	Dominion Virginia Power	In Person
Eynon, Patrick	Ameren Services Co.	In Person
Fenoglio, Walt	TXU Energy	In Person
Garrett, Michael	Georgia Power Company	In Person
Gross, Blake	AEP	In Person
Heath, Cathy	Georgia power Co.	In Person
Hess, Theresa	Reliant Energy Retail Services	In Person
Higashi, Gail	SCE	In Person
Howe, Jim	DCSI	In Person
Huffer, Randy	Dominion Virginia Power	In Person
Jarrett, Mark	Southern Company Services	In Person
Kerver, Ron	Consumers Energy	In Person
Kilgore, Tom	Gulf Power	In Person
Kilmer, Burrell	Accenture	In Person
Kiselewich, Ruth	BGE	In Person
Lokey, Felecia	TXU Energy	In Person
Mason, Jean	Ameren Services Co.	In Person
Mason, Kim	PEPCO	In Person
McMillan, Meghan	NAESB	Phone
Minneman, Jim	PPLSolutions	Phone
Moran, Terry	PSE&G	In Person
Muzikar, Rich	Con Edison	In Person
Newbold, Bill	Detroit Edison	In Person



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Nishida, Les	Wisconsin Public Service Corp.	In Person
Overtree, Ed	Calpine	In Person
Prentice, Karen	Savannah Electric	In Person
Ray, Judy	Alabama Power Co.	In Person
Ringenbach, Tom	American Electric Power	In Person
Robert, Lisa	Defense Energy Support Center	In Person
Russom, John	Alabama Power Co.	In Person
Shaw, Brenda	Dominion Virginia Power	In Person
Thiry, Ken	Wisconsin Public Service	In Person
Tucker, Ed	Duke Power Co.	In Person
Wilén, Eric	NYSEG	Phone
Wise, Barbara	BGE	In Person
Wolf, Bill	BGE	In Person
Yelverton, Andria	PEPCO	In Person
Yetman, Cathy	National Grid	In Person
Zollars, Rick	Dominion Retail	In Person



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V. Billing and Payment Processing

A. INTRODUCTION

This section presents business practices for billing and payments in a Retail Access environment. Billing and payment processing encompass a variety of steps and interactions between the Billing Party, the Non-Billing Party (and the Customer). These procedures begin with the receipt of billable units. Steps include calculating billable charges; printing and mailing of the bill; collecting and posting payments; and remittance practices. Interactions include the transfer of data elements necessary to accurately bill and process payments collect funds from the Customer for distribution, transmission and generation services. The section outlines the responsibility and expectations of each participant in a variety of billing and payment scenarios.

There are three two general billing models discussed: Consolidated Billing,⁴ and Dual Billing and Single Retailer. To the extent the Applicable Regulatory Authority believes that either or both of these billing options should be required, the following sections describe how the options should be implemented. Billing options must be provided in a non-discriminatory manner. In the case of Consolidated Billing, either the Supplier or the Utility may serve as the Billing Party and the execution of a Billing Services Agreement (see Exhibit 1) is recommended to capture the details of terms and conditions between the parties.

Consolidated Billing: One party is producing a Customer bill for the energy related charges of two or more service providers.

Dual Billing: When the Customer receives separate bills from the various service providers.

Single Retailer: When the Retailer purchases delivery service from the Utility and bills the Customer and generally serves as the single point of contact for the Customer.

Alternative payment processing models exist for the Consolidated Billing Option based upon various cash posting sequences discussed in the section. The two methods discussed are "Purchased-Assumption of Receivables" and "Pay as You Get Paid."

Assumption of Receivables: The Billing Party assumes the Non-Billing Party's receivables and sends the Non-Billing Party payment at predetermined intervals regardless of when (or whether) the Customer pays the Billing Party.

Pay as You Get Paid: Billing Party payment option when providing Consolidated Billing where the Billing Party forwards payment to the Non-Billing Party for the Non-Billing Party charges only after receiving payment from the Customer. The Customer remains responsible for payment to the Non-Billing Party.

Consideration of payment application order for partial payments, Utility and Supplier arrears, current charges and non-energy charges must also occur in order to determine the correct allocation of payments and to establish clear rules which govern this allocation.

¹The word, "consolidated," as used in the billing context of this section, refers to a single bill combining the charges from various service providers. This is not to be confused with "summary bill" where the separate accounts of a single Customer are combined into a single billing statement at the Customer's request.



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~~The participants recognized in their consideration of current practices for billing that the competitive market will ultimately determine billing options offered by service providers, information content, and format based on expressed Customer preferences. Accordingly, practices are outlined for all billing and payment options. These recommended practices are based on current transitional experience and may be expected to change over the course of time.~~

~~**B. REGULATORY POLICY ISSUES (THE REGULATORY POLICY ISSUES SECTION HAS BEEN MOVED TO SEPARATE DOCUMENT FOR LATER CONSIDERATION)**~~

~~As described more fully in the Preface, there are a number of regulatory policy issues that affect the business practices addressed in this document. The key policy issues impacting billing and payment practices are identified below, along with implementation issues that were not resolved by the participants. Regulators and other policymakers are encouraged to examine these issues before, or in conjunction with, considering the recommended business practices for a particular jurisdiction.~~

~~1. In considering which billing options should be made available, or required, Applicable Regulatory Authorities are encouraged to examine in detail the costs and time frame needed to implement the billing options, since major changes to computer systems may be necessary and significant shifting of financial risk may occur depending on which billing options are offered and how those options are implemented. Equally careful consideration should be given to the potential benefits consumers might realize through enhanced billing services and choices.~~

~~2. Shut-off policies – determination of which charges may result in Customer shut-off for nonpayment (disconnectable charges).~~

~~3. Bill components – specific requirements applicable for consumer protections.~~

~~4. Meter Read Date Changes – Determination of whether the entity responsible for reading the meter should offer an option to change meter read date.~~

~~5. The extent of the Supplier obligation to comply with existing consumer rights for the Utility portion of a Supplier consolidated bill.~~

~~6. The Consolidated Billing Option raises a number of additional concerns:~~

~~a. Multiple methods of calculating the Non-Billing Party's charges exist: Bill Ready (billing party receives charge amounts from non-billing party) vs. Rate Ready (billing party calculates charge amounts on behalf of the non-billing party);~~

~~b. This document recommends the Bill Ready methodology; however, it is recognized that the Rate Ready methodology may be appropriate depending on local circumstances;~~

~~c. Multiple methods of processing Customer payments to the Non-Billing Party exist: "Purchased Receivables" and "Pay as You Get Paid"; and~~

~~d. When partial Customer payments are received, multiple methods for payment processing order exist. The participants could reach no consensus on the recommended practice. The participants offer the Applicable Regulatory Authority the following for consideration:~~



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~~(1) Payment processing order can affect or limit the following: level of Customer disconnects; Supplier and Utility cash flows and level of uncollectibles; Supplier entry into local market where the rules apply; willingness of parties to offer Consolidated Billing to Customers; Customer confusion; cost of billing systems; opportunities for gaming payments by Customers; securitization of Utility assets through cash flow; Customer's ability to control allocation of their payment; collection activity on previous "good pay" Customers; and ultimately, choices available to Customers.~~

~~(2) Rulemakings intended to address payment processing order should address the following: charges for which nonpayment can lead to physical disconnection; arrears vs. current charges; Prorating of payments vs. assigned order of payment; energy related charges vs. non-energy related charges; taxes and regulatory surcharges, as applicable; priority of gas vs. electric; and consideration of specific Customer segment or class.~~

~~(3) Although no consensus was reached, the following four options were identified. These options address payment allocation concerning Utility tariffed charges and Supplier energy charges only. Payment allocation concerning payment arrangements or charges such as taxes, products or added services must be specifically determined by the Appropriate Regulatory Authority.~~

~~(a) Option A:~~

- ~~(i) First, to all past due disconnectable charges in order of aged delinquency.~~
- ~~(ii) Next, to all past due non-disconnectable charges in order of aged delinquency.~~
- ~~(iii) Next, to all current disconnectable charges.~~
- ~~(iv) Next, to all current non-disconnectable charges.~~

~~(b) Option B:~~

- ~~(i) First, to all past due and currently due disconnectable charges in order of aged delinquency.~~
- ~~(ii) Next, to all past due and currently due non-disconnectable charges in order of aged delinquency.~~

~~(c) Option C:~~

~~Allocated by age of receivable. For receivables of the same age, first to disconnectable charges then to non-disconnectable charges.~~

~~(d) Option D:~~

~~Pro-rata allocation of all payments between the Billing Party and Non-Billing Party.~~

The balance of this section presents business practices and procedures that the participants believe can be used to effectively implement Billing and Payment in an Retail Access environment.

~~C. GENERAL BILLING AND PAYMENT PRINCIPLES~~ ~~D. PROVISIONS~~

~~1. The Utility or Supplier may assume the role of either Billing Party or Non-Billing Party provided that applicable regulatory or legal criteria are met.~~



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2. The Supplier may select from the options available in the Utility's service territory which billing option(s) to offer its Customer(s). ~~If a Supplier offers more than one billing option to a specific Customer, then the Customer should be allowed to choose from the available options. Suppliers may offer one or more of the available billing options to specific customer.~~

3. The Supplier must provide at least 60 days' advance notice to the Utility of plans to offer another available, approved billing option that would impact the Utility. If the option requires exchange of data, the option may not be operational until the adequacy of data interchange is successfully demonstrated to the Parties. Either party shall provide adequate advance notice to the other party when changing systems that affect electronic data interchange between the parties, to ensure adequate data exchange.

~~4. Customers have the right to direct the Billing Party to send their bills to any party for processing and payment using the appropriate authorization mechanism. This will enable Customers to designate agents to receive, process, and pay their bills.~~

~~5.4. The Applicable Regulatory Authority should determine what charges will warrant a cut-off notice for failure to pay. The process of disconnection itself should continue to be subject to state laws and regulations. The Utility should notify the energy Supplier and meter data management agent, if applicable, using a Uniform Electronic Transaction, when an account is shut off. For large industrial and commercial Customers (for example, greater than 500 kW peak demand) the Utility will make good faith efforts to notify the Supplier within 24 hours after the physical disconnection.~~

~~6.4. Both Utility and Supplier must be approved, certified or licensed, to the extent required by the Applicable Regulatory Authority, (execute a Billing Service Agreement,) and demonstrate the technical capability to exchange information electronically using the Uniform Electronic Transactions and to meet the operational time frames which have been defined to support the billing options required.~~

~~7.5. Required metering data that are necessary to validate and complete all billing must be made available to both the Billing Party and Non-Billing Party via Uniform Electronic Transactions or as otherwise allowed in the Billing Service Agreement.~~

6. Applicable state and local taxes will be calculated, collected, and remitted in accordance with State statutes and local government ordinances. Each party will be responsible for the calculation of its applicable state and local tax charges for presentation on the bill in accordance with state statutes and local ordinances. Each party is also responsible for remitting its own applicable taxes.

~~9.7. (The cancel and rebill process must be done in a uniform manner, be clear and reproducible, and be communicated to all affected parties.)~~

~~D.C. CONSOLIDATED BILLING OPTION~~

~~Consolidated Billing (Utility Consolidated Billing or Supplier Consolidated Billing) is the billing process whereby one party, the Billing Party (the Utility or the Supplier), reflects the Utility and Supplier charges incurred by the Customer for a billing period on a single Customer bill. The other party is referred to as the Non-Billing Party.~~

~~With Consolidated Billing, the two providers have a high degree of interdependence, as one becomes the Billing Party for the other. Any Consolidated Billing arrangement between two providers should have the~~



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~~relevant terms and conditions between the two parties specified contractually in a "Billing Services Agreement." The Billing Services Agreement executed between the Billing Party and Non-Billing Party sets out detailed expectations for the responsibilities of each party, including treatment for failure to meet obligations. These responsibilities can alternatively be contained in an overall agreement or tariff, standardized to the greatest extent possible.~~

~~The recommended Consolidated Billing model is to use a Bill Ready methodology where the Non-Billing Party sends its Customers' charges to the Billing Party via the appropriate Uniform Electronic Transaction. However, nothing in these practices precludes the parties from developing an arrangement for additional billing services, subject to the condition that such arrangements be mutually agreeable and offered in a non-discriminatory manner.~~

~~1. RECOMMENDED 1. BILLING PRACTICES~~

~~a. The Billing Party should render a Consolidated Bill in accordance with the applicable legal and consumer disclosure requirements and mutually agreed-upon standards. The Billing Party should issue a bill directly to the Customer or the Customer's agent. The Customer or its agent should pay the Billing Party.~~

~~b. The Consolidated Bill format should be within the Billing Party's discretion, subject to the following:~~

~~(1) The Consolidated Bill must meet the standards set by the Applicable Regulatory Authority.~~

~~(2) For large² commercial and industrial Customers, the elements on a Customer's Consolidated Bill and its format will be predetermined and stated in the Billing Service Agreement may be negotiated between the Billing Party and its Customer. If the Non-Billing Party negotiates bill elements and/or formats with a Customer, then the Billing Party must be a party to this agreement to ensure it can produce the desired bill. The Billing Services Agreement shall govern the extent to which a Billing Party must support such non-standard billing arrangements of the Non-Billing Party.~~

~~(3) For residential and small commercial Customers, the Consolidated Bill shall itemize Utility and Supplier charges separately, each in enough detail to provide the Customer enough information to determine judge the accuracy of the bill. Such itemizations shall be in clearly separated portions of the bill with the source of the charges (Utility or Supplier) clearly identified. The following information is typically included on a information should be the required elements on a Consolidated Bill, unless the Customer agrees to other billing arrangements:~~

Customer Information:

- (a) Customer name;
- (b) Service address and, if different, billing address;
- (c) Billing Party account number;
- (d) Non-Billing Party account number;
- (e) Utility rate identifier;
- (f) Utility special pay plans or riders;

² Definition of large and small Customers shall be left to the discretion of the Applicable Regulatory Authority.



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Usage and Charges Information

- (g) Prior meter reading date;
- (h) Prior meter reading;
- (i) Current meter reading date;
- (j) Current meter reading;
- (k) Current usage and multiplier (for conversion of meter reading to billing units);
- (l) Metered Demand, if applicable;
- (m) -Indicator if usage is "estimated";
- (n) Previous payment(s) received amount or credited amounts;
- (o) Previous balance;
- (p) Current charges;
- (q) Late payment charges;
- (r) Current amount due and due date;
- (s) If budget bill, applicable billing information;
- (t) Applicable taxes;
- (u) Other charges authorized by Utility tariffs or schedules;

Billing Party Information

- (v) Name;
- (w) Billing address;
- (x) Telephone number;

Non-Billing Party Information:

- (y) Name;
- (z) Telephone number;

Miscellaneous Information

- (aa) Emergency phone number(s), if different; and
- (bb) Sufficient space for bill message by the Non-Billing Party.³

Other Information

- (aaa) **Adjustments**
- (bbb) **Twelve months usage history**

c. The Billing Party shall be responsible for delivering to Customers information that is mandated by regulations.

d. ~~Customer payment due dates and other payment terms and conditions~~ must be identical for Supplier and Utility charges when a Consolidated Bill is rendered.

~~e. Whenever a Consolidated Bill is to be canceled, the following practices shall be followed:~~

~~(1) Canceled usage will be by metering period;~~

³ If a summary bill is produced for multiple residences or multiple facilities owned or operated by a single entity in more than one distribution territory, then sufficient space for multiple bill messages by non-billing parties should not be required.



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~~(2) The consumption sent in the cancel transaction must match the consumption sent in the original transaction;~~

~~(3) Canceled usage must be sent at the same level of detail as the original usage;~~

~~(4) In order to estate usage for a period, the metering entity first must completely cancel all usage for that period and then send the full set of restatement transactions; and~~

~~(5) When credits (or debits) are created during a cancel/rebill event, the non-Billing Party shall not transmit the credit (or debit) to the Billing Party until the associated rebill debit (or credit) transaction is completed and sent to the Billing Party.~~

f. Special billing features that have no effect on the Non-Billing Party may be implemented by the Billing Party. Special billing features that affect both parties' payments, such as Budget Billing or average payment plans, may be offered by either party for its own charges consistent with provisions in the Billing Services Agreement. If such options are made available by the Non-Billing Party, the budget amount or average payment amount will be calculated and forwarded to the Billing Party for inclusion on the bill along with actual charges under the Bill Ready billing approach.

2. Bill Ready Billing Method

~~A. The Billing Party must receive the Non-Billing Party's billing information within two (2) business days following the meter reading entity's transmission of valid usage information commencing on the first business day following receipt by the Non-Billing Party~~

(1) Notifications Pertaining to the Non-Billing Party's Electronic File

(a) When the Non-Billing Party charges are received, the Billing Party shall acknowledge receipt via Uniform Electronic Transaction.

(b) If the Non-Billing Party's file is not valid then the Billing Party shall reject it. Rejection, accompanied by appropriate uniform error code(s), shall be communicated via the appropriate Uniform Electronic Transaction within ~~one (1) business day~~ twenty-four (24) hours of receipt of the file.

~~(c) If the Non-Billing Party's file is accepted, the Billing Party must present (or render) a bill to the Customers within two (2) business days.~~

(2) Notifications Pertaining to Individual Transactions within the Non-Billing Party's Electronic File

~~(a) If the Non-Billing Party's file is accepted, the Billing Party must issue (render) bills to the Customers within two (2) business days.~~

~~(a)(b) When the Billing Party has not purchased the Non-Billing Party's receivables and is able to process the Non-Billing Party's file but is unable to issue (render) present~~



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a significant number of Customer bills pursuant to the Billing Service Agreement, the Billing Party shall promptly notify the Non-Billing Party.

(b)(c) If the Non-Billing Party's transactions are received within the appropriate time frame and a transaction is rejected, then the Billing Party will notify the Non-Billing Party of the rejection via Uniform Electronic Transaction within one (1) business day. The Non-Billing Party may, if time permits, resubmit a corrected file containing billing charges for inclusion in the current billing statement.

(d) If the Non-Billing Party transactions are sent to the Billing Party outside the appropriate time frame such that charges could not be included on the bill, then:

1. The Billing Party may reject the transaction and notify the Non-Billing Party within two business days via Uniform Electronic Transaction that the charges were not billed. In this scenario, the Non-Billing Party shall resubmit its charges in the following billing period in accordance with the time requirements outlined above.

2. The Billing Party may hold the transaction for processing on the next bill. In the Single Retailer Model, the Billing Party will not be required to notify the Non-Billing Party. In the Pay As You Are Paid method, however, the Billing Party must notify the Non-Billing Party that charges were received too late and will be reflected on the next bill.

(3) If Billing Party errors cause the Non-Billing Party charges to miss the billing window, the Billing Party shall cancel and reissue the bill within two business days soon as practicable, unless the Billing Party and Non-Billing Party arrange a mutually agreeable alternative bill correction process.

(4.) Whenever a Consolidated Bill is to be canceled, the following practices

shall be followed:

- a. Canceled usage will be by metering period;
- b. The consumption sent in the cancel transaction must match the consumption sent in the original transaction;
- c. Canceled or replaced usage must be sent at the same level of detail as the original usage;
- d. In order to restate usage for a period, the metering entity first must completely cancel/replace all usage for that period and all subsequent periods, if applicable, and then, if appropriate, send the full set of restatement transactions;
- e. During a cancel/rebill event, the non-Billing Party shall transmit the credit and debit, or the net amount, after receipt of the rebill usage transaction.

3. Rate Ready Billing Method

A. The Non-Billing Party charges must be provided to the Billing Party at least 30 days prior to implementing this method and so stated in the Billing Service Agreement. The implementation date will be



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decided by mutual agreement but in no case will the implementation date fall on or before the next scheduled meter reading date.

B. The Billing Party will send a Uniform Electronic Transaction when accounts of the Non-Billing Party are billed thus notifying the Non-Billing Party that its customers have been billed and will indicate the usage and amount so billed for each customer account.

(4) When operating under the Pay-as-You-Get-Paid method, the Billing Party will transmit funds at the time it receives payment from the customer to the Non-Billing Party pursuant to the Billing Service Agreement.

(5) When operating under the Assumption of Receivables method, the Billing Party will transmit funds to the Non-Billing Party at the time of billing pursuant to the Billing Service Agreement.

e. Whenever a Consolidated Bill is to be canceled, the following practices shall be followed:

(1) Canceled usage will be by metering period:

(2) The consumption sent in the cancel transaction must match the consumption sent in the original transaction:

(3) Canceled usage must be sent at the same level of detail as the original usage:

(4) In order to restate usage for a period, the metering entity first must completely cancel all usage for that period and all subsequent periods, if applicable, and then send the full set of restatement transactions; and

(5) During a cancel/rebill event, the non-Billing Party shall transmit the credit and debit, or the net amount, at the same time, or debit) to the Billing Party until the associated rebill debit (or credit) transaction is completed and sent to the Billing Party.

(6)

2.4. RECOMMENDED PAYMENT PROCESSING AND REMITTANCE PRACTICES

a. Payment Processing Methods

~~Recommended practices~~ for Consolidated Billing assume that one of two basic payment-processing approaches will be adopted, as described in this section. The particular methods of payment processing used for Consolidated Billing as set forth below shall be at the discretion of the Billing Party provided that the Billing Party accepts the practices described herein. The responsibilities of the parties, performance parameters, financial arrangements and other details associated with payment processing and remittance will be set forth in the Billing Services Agreement. Billing and collections for any non-energy charges must be mutually agreed upon by both parties, ~~as~~ and set forth in the Billing Services Agreement.

(1) "Purchase Assumption of Receivables" Option

The Billing Party voluntarily purchases/assumes the Non-Billing Party's



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receivables and sends the Non-Billing Party payment at predetermined intervals for all Non-Billing Party amounts billed that are not In Dispute⁴, regardless of when (or whether) the Customer pays the Billing Party;⁵ or

Having assumed the obligation to pay the Non-Billing Party within the acceptable time frame for amounts owed the Non-Billing Party, the Billing Party should have the flexibility to change billing and payment practices subject only to applicable laws, regulatory requirements, and the terms and conditions of the Billing Services Agreement executed with the Non-Billing Party.

The Billing Services Agreement shall specify the level of Uncollectible Revenues to be reflected in the amount due to the Non-Billing Party and provisions for its adjustment over time, based on actual experience. Uncollectible Revenue levels should be defined by Customer segment (e.g., residential, small commercial, large commercial, industrial) and applied consistently in a manner that is both reproducible and nondiscriminatory.

(2) "Pay as You Get Paid" Option

The Billing Party forwards payment to the Non-Billing Party (within a time frame specified in the Billing Services Agreement) when it receives payment from the Customer and the payment is processed in accordance with an agreed-upon priority order of payments.

Payment Notification and Remittance

Within one business day after posting the payment to the Customer account, the Billing Party shall send a Uniform Electronic Transaction notifying the Non-Billing Party of account-specific payments received for the Non-Billing Party's charges from Customers.

The Billing Party shall remit to the Non-Billing Party funds associated with Customer payments posted⁵ for all undisputed Non-Billing Party Charges within two (2) business days of the posting of the Customer's payment to the Billing Party's system. Remittance of funds shall be made by electronic means [e.g., EFT (Electronic Funds Transfer) or ACH (Automated Clearing House)] to a bank designated by the Non-Billing Party. By mutual agreement between the parties the Billing Party may send account-specific information with the remittance of funds in an electronic certification to the bank in lieu of or in addition to direct notification to the Non-Billing Party.

b. General Payment Processing Practices

(1) Payment

The Billing Party shall pay the Non-Billing Party in accordance with the payment terms described in the Billing Services Agreement between the parties. The Billing Party shall make payment notification to the Non-Billing Party via the appropriate Uniform Electronic Transaction. Payments shall be made in a standard time frame by electronic means [e.g., EFT (Electronic Funds Transfer) or ACH (Automated Clearing House)] to a bank designated by the Non-Billing Party. Remittance advice by account

⁴ As indicated in the Glossary, In Dispute is a status that prevents collection action from being taken on a disputed amount.

⁵ It is assumed that the Billing Party will process and post funds received each business day.



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shall be sent to a bank designated by the Non-Billing Party and/or directly to the Non-Billing Party.

(2) Notification of Payment

In the circumstance where the Pay-as-You-Get-Paid option is being used,

The Billing Party shall send a Uniform Electronic Transaction notifying the Non-Billing Party of the payments received for the Non-Billing Party's charges from Customers, in account detail, in accordance with appropriate payment priority standards.

(3) Conversion to Dual Billing upon request of the Customer or the Non-Billing Party

In the circumstance where the Utility is doing Consolidated Billing and the customer requests a change to Dual Billing, the Utility may initiate conversion of a Customer to Dual Billing for the next Billing Cycle provided notification is received by the Non-Billing Party before the next scheduled meter read cycle pursuant to the Billing Service Agreement. Return of the Customer to Consolidated Billing should be at the discretion of the party initiating the conversion to Dual Billing.

(4) Conversion to Dual Billing for Overdue Payments

In the circumstance where the Utility is doing Consolidated Billing, and assumes purchasing the receivables of the Non-Billing Party, and cannot deny service due to nonpayment of Supplier charges, the Utility may initiate conversion of a Customer to Dual Billing where a threshold of overdue payments or identified delinquencies as specified in the Billing Service Agreement is reached.

Under this circumstance, adequate notice must be provided to the Customer and the otherNon-Billing pParty, the latter via Uniform Electronic Transaction. The account shall revert to Dual Billing for the next Billing Cycle provided notification is received at least eight (8) calendar days before the next scheduled meter read cycle pursuant to the Billing Service Agreement. Return of the Customer to Consolidated Billing should be at the discretion of the party initiating the conversion to Dual Billing.

(4)(5) Payment Not Received by Non-Billing Party

If the Non-Billing Party does not receive payment from the Billing Party for undisputed charges within the appropriate time frame, then the Billing Party must pay interest on the unremitted amount calculated in accordance with applicable regulations or the relevant provisions of the Billing Services Agreement between the two parties. The rights and remedies associated with breach of contract are not modified by these rules. The Non-Billing Party has the right to convert all Customers to Dual Billing if the Billing Party is in material breach of contract or for the reasons specified in the Billing Services Agreement.

(5)(6) Placing Billing Amounts In Dispute

(a) Ability To Initiate a Bill Complaint

(i) Only a Customer can initiate a Customer Complaint dispute regarding some or all of the charges on their bill. Generally, the Customer will make an inquiry about the item(s) in question. If the question dispute is not resolved the problem becomes a Complaint.



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(ii) When a Complaint ~~is received~~ arises that impacts the entire bill because the customer questions the usage amount or is specific to only the Billing Party's charges, the Billing Party will recognize the Complaint and place the Customer's account In Dispute. In the event of an inquiry regarding only the Non-Billing Party's charges, the Billing Party will note the inquiry and refer the Customer to the Non-Billing Party.

(iii) The Non-Billing Party may recognize Complaints related to its charges only. All other inquiries should be noted and the Customer referred to the Billing Party.

~~(b)~~ II. Notification

(i) The Billing Party, upon determining that a Complaint exists that will impact the entire bill, must notify the Non-Billing Party of the subject and amount In Dispute, if known.

(ii) Once such a Complaint is resolved and the billed amount is no longer In Dispute, the Billing Party must notify the Non-Billing Party.

(iii) The Non-Billing Party must inform the Billing Party when Non-Billing Party charges are placed In Dispute.

~~(c)~~ III. Application of Payment

Where charges have been placed In Dispute, payments should be applied against charges that are not In Dispute first. In all cases, payment is expected within normal time frames on all undisputed charges for either party.

~~(6)~~ (1) Multiple Account Payment Processing

Processing of a single Customer payment for multiple accounts requires proactive action on the part of the Billing Party and Non-Billing Party to apply payments correctly. When multiple account Customers choose a competitive Supplier or Suppliers the following are options to avoid problems with application of a single payment on the multiple accounts:

(a) The Billing Party can/could establish a "summary account" for all accounts that the Customer chooses a competitive Supplier. If the Customer chooses more than one Supplier, a summary account would be established for each competitive Supplier that the Customer chooses. For payment application purposes, each summary bill would be treated individually or the same as a single location account; or

(b) The Billing Party and Non-Billing Party will notify/instruct a multi-account Customer that chooses a competitive Supplier that payment application advice must be provided on an individual account basis when a single payment method is used. If the Customer fails to comply, that Customer may be converted to Dual Billing.

~~(7)~~ (2) Non-Billing Party's Balance

(a) In the Pay-As-You-Get-Paid method, ~~the~~ Billing Party shall maintain a current and past due balance for each active account of the Non-Billing Party.



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(b) In the Pay-As-You-Get-Paid method, following a switch, the Billing Party will carry forward any inactive Non-Billing Party arrears on a bill, consistent with requirements outlined in the Billing Services Agreement or Utility-Supplier tariffs. If amounts remain unpaid, the Billing Party will forward a Uniform Electronic Transaction to the Non-Billing Party to return any outstanding arrears.

~~(8)(3)~~ Past Due Balance Prior to Switching

Outstanding prior balances are not transferred unless mutually agreed upon by both parties. The Non-Billing Party will continue to bill the Customer separately for any outstanding balances until such balances are fully paid-off. If Assuming the Receivables, the Billing Party can reject an enrollment transaction that specifies Consolidated Billing if the customer does not satisfy the creditworthiness criteria specified in the appropriate governing document. In such a case, the Non-Billing Party may resubmit the enrollment transaction and specify Dual Billing.

~~(9)(4)~~ Late Payment Charges and Other Penalties

(a) Late Payment Charges (LPC) may be imposed on the Customer by the Billing Party and in the case of ~~Pay-as-You-Get Paid~~ ~~Pay-as-You-Get Paid~~ model, the Non-Billing Party. Each party should be responsible for the calculation of its LPC charges. LPC for amounts not In Dispute will be applied in accordance with the Utility's tariff or Supplier's contract. This does not preclude the Billing Party from offering to apply and collect LPC for the Non-Billing Party as mutually agreed to in the Billing Services Agreement;

~~(b) IV.~~ In the Pay-As-You-Get-Paid method, The Non-Billing Party will include the LPCs where applicable as a line item in its Bill Ready information supplied to the Billing Party at the time the next bill is rendered to the Customer;

~~(c) V.~~ If the Customer's check is returned for any reason, the Billing Party may charge the Customer's account for the check plus any administrative fees. In the Pay As You Get Paid method, the Billing Party will notify the Non-Billing Party via the appropriate Uniform Electronic Transaction and update the Non-Billing Party account balance.

(d) VI. Activities related to the collection of funds shall be the responsibility of the Billing Party unless otherwise agreed to in the Billing Services Agreement.

~~a. Purchased Receivables Method~~

~~(1) Having assumed the obligation to pay the Non-Billing Party within the acceptable time frame for amounts owed the Non-Billing Party, the Billing Party should have the flexibility to change billing and payment practices subject only to applicable laws, regulatory requirements, and the terms and conditions of the Billing Services Agreement executed with the Non-Billing Party.~~

~~(2) The Billing Services Agreement shall specify the level of uncollectible revenues to be reflected in the amount due to the Non-Billing Party and provisions for its adjustment over time, based on actual experience. The uncollectible revenue levels should be defined by Customer segment (e.g., residential, small commercial, large commercial, industrial) and applied consistently in a manner that is both reproducible and nondiscriminatory.~~



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b. Pay As You Get Paid Method

~~(1) Payment Notification and Remittance~~

~~Within one business day after posting the payment to the Customer account, the Billing Party shall send a Uniform Electronic Transaction notifying the Non-Billing Party of account-specific payments received for the Non-Billing Party's charges from Customers.~~

~~The Billing Party shall remit to the Non-Billing Party funds associated with Customer payments posted⁶ for all undisputed Non-Billing Party Charges within two (2) business days of the posting of the Customer's payment to the Billing Party's system. Remittance of funds shall be made by electronic means [e.g., EFT (Electronic Funds Transfer) or ACH (Automated Clearing House)] to a bank designated by the Non-Billing Party. By mutual agreement between the parties the Billing Party may send account-specific information with the remittance of funds in an electronic certification to the bank in lieu of or in addition to direct notification to the Non-Billing Party.~~

~~(2) Notification of Partial Payment~~

~~When a Customer makes a partial payment on an account, the Billing Party shall notify the Non-Billing Party using an appropriate Uniform Electronic Transaction.~~

~~(3)(1) Payment Arrangement~~

~~When a Customer enters into a multi-month payment arrangement for all or a portion of the bill, the Party entering into the agreement with the Customer must notify the other Party of such action.~~

E.B. DUAL UTILITY AND SUPPLIER BILLING AND PAYMENT OPTION

Dual Utility and Supplier Billing are the billing processes whereby the Utility and the Supplier independently produce and render bills directly to the Customer. ~~This document assumes that all Utilities and Suppliers maintain the capability to provide dual billing in order to accommodate circumstances where this document may require that dual billing be implemented immediately.⁷~~ The Customer receives two bills and makes two separate payments to the Utility and the Supplier. This section contains recommended practices where Dual Billing is to be implemented.

1. The Utility and the Supplier, each acting as a Billing Party, shall render individual bills directly to the Customer or the Customer's agent in accordance with applicable legal requirements. The Customer or its agent shall pay the Utility and the Supplier separately.
2. The Utility's bill shall conform to the standards set by the Applicable Regulatory Authority.
3. The Supplier's bill format shall be at the Supplier's discretion, subject only to legal and regulatory requirements.
4. For large commercial and industrial Customers, the elements on a Customer's bill and its

⁶ It is assumed that the Billing Party will process and post funds received each business day.

⁷ This capability may be outsourced.



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format may be negotiated between each Billing Party and its Customer, subject only to legal and regulatory requirements.

5. For residential and small commercial Customers, the bill shall itemize charges, each in enough detail to provide the Customer enough information to [judge/calculate](#) the accuracy of the bill. The required elements on the Customer dual bill shall be the same as those elements specified for Consolidated Bills in Section D.1.b.(3), with the following exceptions, unless the Customer agrees to other billing arrangements:

Customer Information:

- (d) Non-Billing Party account number does not apply;
- (e) Utility rate identifier does not apply for the Supplier bill;
- (f) Utility special pay plans or riders do not apply for the Supplier bill;

Non-Billing Party Information:

- (y) (z) No elements are applicable; and

Miscellaneous Information:

- (bb) Space for bill message by the Non-Billing Party does not apply.

6. Whenever a Dual Bill is to be canceled, the following practices shall be followed:

- a. Canceled usage will be by metering period;
- b. The consumption sent in the cancel transaction must match the consumption sent in the original transaction;
- c. Canceled usage must be sent at the same level of detail as the original usage.
- d. In order to restate usage for a period, the metering entity first must completely cancel all usage for that period and then send the full set of restatement transactions.