

NAESB REQ Glossary

Subcommittee Workpaper

Affiliate – Another person or organization, which controls, is controlled by, or is under common control with such person or organization. The term “control” (including “controlling” or “controlled by”) includes the possession, directly or indirectly, whether acting alone or in conjunction with others, of the authority to direct or cause the direction of the management or policies of a company. A voting interest of 10 percent or more creates a rebuttable presumption of control.

Alternative Dispute Resolution – A process using a neutral facilitator, where parties meet and negotiate a binding settlement to resolve a dispute. This process should be used as soon as it is apparent that the parties cannot settle the dispute amongst themselves. Forms of mediation, arbitration, settlement conferences and mini-trials may be used.

Applicable Regulatory Authority – The state regulatory agency or other local Governing Body that provides oversight, policy guidance and direction to energy utilities and market participants through regulations and orders.

Bill Ready – A consolidated billing practice in which the billing party receives the calculated charge amount(s) directly from the non-billing party in lieu of the billing party calculating it directly from the rate.

Billing Cycle – The period of days for which a Utility or Supplier produces the Customer's bill.

Billing Service Agreement – A legally binding agreement between the Utility and the Supplier used when one of the parties is performing consolidated billing for the other party. The agreement details expectations and responsibilities of each party.

Budget Billing – Calculation of uniform monthly payments over a set period of time, typically 12 months, by estimating a customer's future bill amounts and dividing by a time period, which allows for equal monthly payments, not counting a final “true-up” at the end of the period to account for actual customer usage and bill amounts.

Commercially Reasonable – Reasonable to a knowledgeable person in the industry or business.

Complaint – A complaint is when a customer contacts a market participant to protest, criticize or find fault with service, billing or procedures and is dissatisfied with the initial response.

Consolidated Billing Option – A Customer billing option that combines Utility and Supplier charges on one statement.

Cramming – The process of placing charges for unordered and unwanted services on the Customer's electricity bill.

Customer – Any entity that takes service for their own consumption over the transmission and/or distribution facilities of a Utility.

Customer Class – A classification used for Load Profiling. Customers are typically grouped into residential, commercial, and industrial categories, based on their demand characteristics. These classes can have sub-classes, e.g., large industrial vs. small industrial or residential with electric heating vs. residential without electric heating.

Customer Class Segment – A classification used for Load Profiling. Customers can be grouped within the customer class or sub-class based on more similar demand characteristics.

Customer Service Representative (CSR) – Staffed position within a Utility or Supplier organization that handles initial Customer contacts, normally by telephone, for purposes of providing information or resolving problems.

Default Service – Energy supply service provided, pursuant to rules established by the Applicable Regulatory Authority, to Customers in a competitive energy market who are not being served by a competitive energy Supplier for any number of reasons, including the following: 1. The Customer's chosen Supplier no longer provides service for the Customer's account; 2. The Customer is unable to locate a Supplier to service their account; or 3. The Customer has not chosen a Supplier. Laws and regulations govern whether this service is available long-term as an alternative to competitive service or only during a transition period, after which Customers are expected to select a Supplier.

Demand – For Electricity: the amount of electricity, typically measured in kilowatts (kW), that Customers use instantaneously, or is averaged over a set period of time. For Natural Gas: the rate at which gas is delivered to or by a system, part of a system, or a piece of equipment, expressed in cubic feet or therms, over a set period of time.

Drop – The termination of the relationship between the Customer and Supplier for various reasons: non-pay, term of contract, Supplier stops service of customer class, at request of customer, etc.

Drop Request – A uniform electronic transaction sent by a Supplier to discontinue sales service to a Customer, or a Utility in response to a notification from a Customer to the Utility to cease supply arrangements with a Supplier.

Drop Response – A transaction sent to acknowledge the receipt of a Drop Request.

Dual Billing – An approach under which the Utility and Supplier render separate bills to the Customer, each containing charges by that party for the services provided, for which separate payments from the Customer are required.

Dynamic Load Profiling – A load profiling methodology whereby Customer energy demand profiles are derived from actual trading day patterns of energy use, by telemetering loads from sample Customer points following the end of the measurement period.

Eligibility – Refers to Customers who have met a legal prerequisite which allows them to choose an alternative Supplier.

Enroll/Enrollment – Initial Customer sign-up for energy supply with a Supplier; enrolled to receive service, but not actually switched yet.

Gas Day – A period of 24 consecutive hours commencing at 9:00 AM Central Time on a given calendar day.

Guarantor – An entity that provides a formal assurance as security that another's debt or obligation will be fulfilled.

Governing Documents – The documents that prevail over the relationship between a Supplier and Utility. These documents include but are not limited to: Supplier Service Agreement, Billing Services Agreement; Trading Partner Agreement, Utility and Supplier tariffs

In Dispute – A bill status that prevents collection action from being taken on the disputed amount.

Interval Data – Customer load data collected by a meter or metering system reflecting actual energy usage for each time interval (e.g., hour, half-hour, etc.) during the billing cycle.

License – Formal permission from the Applicable Regulatory Authority to do business in a specific state or territory.

Load – For Electricity: an end-use device or Customer that receives power from the electric system. Load should not be confused with Demand, which is the measure of power associated with a load. For Natural Gas: the amount of gas delivered or required at any specified point or points on a system; load originates primarily at the customer's gas consuming equipment.

Load Profile – An allocation of a Customer's electricity usage over a period of time. Load profiles can be used by Suppliers and system operators to forecast electricity supply requirements and to determine the cost of serving a Customer; profiles may represent individual Customers or Customer class averages.

Load Profiling – The process of allocating the cumulative kilowatt-hours used by a Customer in some time period across each hour or sub-hour of the cycle. Load profiling is based on the aggregate characteristics of the Customer class or segment in which the Customer resides.

Local Governing Body – The entity authorized by a municipality, county or state to define and uphold rules and regulations that apply to market participant activities.

Master Service Agreement – An umbrella agreement that contains all agreements necessary between a Utility and Supplier. The Master Service Agreement includes, but is not limited to, the Billing Service Agreement, the Meter Service Agreement and the Trading Partner Agreement.

Meter – A device for measuring and totaling the variable consumption and/or demand of energy.

Meter Service Agreement – A legally binding agreement between the Utility and the Supplier used when one party is providing metering services for the other party. The agreement details expectations and responsibilities of each party.

Nomination – A request for a physical quantity of natural gas under a specific purchase, sales, or transportation agreement or for all contracts at a specific point.

Off-cycle Switch – A switch to a different Supplier or energy supply source, which does not occur on the Customer's normal meter read date.

Pay As You Get Paid Model – 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.

Rate Class – A group of Customers served under a single regulated tariff.

Rate Ready – Refers to the practice in which the non-billing party provides rate information to the billing party sufficient to calculate the non-billing party's charge(s).

Reconciliation – The process by which initial load allocations are "trued-up" to known metered loads; preliminary reconciliation can be performed using bulk area loads; final reconciliation can be performed using actual Customer meter readings for the current month being settled.

Registration Agent – An independent entity facilitating switches and performing recordkeeping for a specified geographical area.

Regulation – A rule or law prescribed by competent authority.

Retail Access – Program(s) initiated through a combination of legislation and/or regulatory commission actions that create the opportunity for retail Customers to competitively obtain energy supplies and other services that were formerly only available through the regulated Utility.

Seamless Move – Simplified process by which a customer moving within a service territory can continue with their current Supplier at the new premises.

Settlement – The hourly accounting process by which costs of energy supplied into the grid by generation operators are reconciled with payments for energy delivered to Customers by their Suppliers; generally performed by an ISO or control area authority; the means by which bilateral or "PoolCo" arrangements between generators and retail Suppliers are supported.

Single Retailer – also known as Supplier-centric, an alternative way to implement Retail Access in which an end-use Customer selects among suppliers of bundled electric

and/or natural gas service that purchase the delivery service from the Utility. Thus, the Supplier bills the Customer for both commodity and delivery costs and generally serves as the primary point of contact for the Customer for non-emergency services.

Slamming – The act of changing a Customer’s chosen Supplier without the Customer’s consent.

Static Load Profiling – A load profiling methodology whereby Customer energy Demand profiles are entirely or mostly determined prior to the measurement period, based upon historical interval data with no or minimal new interval data. A static Load Profile may be updated, modified or adjusted by applying econometric models, weather normalizations, etc.

Supplier – Any entity that sells energy to Customers using the transmission and/or distribution system of a Utility.

Switch – A Customer move from one supply source to another.

Switch Date – Date on which a Customer is actually assigned to a new Supplier.

Switch Request – A request from a Supplier to switch a Customer to begin receiving service from that supply.

Switch Response – A response sent by the Utility to the Supplier that submitted a Switch Request that verifies a Customer’s Switch to the requesting Supplier, provides certain Customer information and, if the Switch Request is denied, provides a reason or code that explains why the Customer was not switched.

Trading Partner Agreement – A legally binding agreement between the Utility and the Supplier defining each party’s responsibilities for doing business with each other using electronic data interchange protocols for transmitting Uniform Electronic Transactions. The agreement details expectations and responsibilities of each party.

Transmission – For Electricity: interconnecting high voltage electric lines that move electricity from a generation facility to the distribution lines of an electric distribution company. For Natural Gas: pipelines installed for the purpose of transmitting gas from a source or sources of supply to one or more distribution centers, to one or more large volume customers, or a pipeline installed to interconnect sources of supply. Traditionally, these systems operate at higher pressure than distribution pipelines that connect the gas system to most Customers.

Transmission Losses – The actual or estimated amount of energy consumed during the process of transmitting energy across a service territory’s transmission lines.

Uniform Electronic Transaction – Specific data arrangements for trading information, making business requests and exchanging other information, encompassing a number of electronic media and utilizing specified transport protocols.

Utility – A regulated electric or gas entity that constructs and maintains the transmission and/or distribution facilities which deliver energy to the Customer and which may also

provide generation services. (Needs discussion as to whether “generation services” is needed.)

Utility Account Number – The identifier used by the Utility to uniquely identify a Customer account

Utility Tariff – A document, approved by the Applicable Regulatory Authority, listing the terms and conditions, including a schedule of prices and fees, under which Utility services are provided.