

# Outline for Model V. Billing Services Agreement For Consolidated Billing

## A. INTRODUCTION

This Billing Services Agreement (BSA) outline provides market participants with a framework from which to create a jurisdiction-specific service agreement based on the structure, rules and Governing Documents of the jurisdiction. This outline is not intended to be a formal, legal document that dictates the terms and conditions of the contractual relationship between the Distribution Company and the Supplier where one is the Billing Party and the other is the Non-billing Party. Terms of the executed BSA will be legally binding on the parties and will reflect the structure of a particular retail market.The Billing Service Agreement (“BSA”)<sup>1</sup> outline has been developed to support the needs identified in the Billing and Payment section of the Uniform Business Practice (“UBP”) report. The assumption is that a BSA would be a legal document executed between the billing and non-billing parties whenever consolidated billing is provided to a Customers. The Applicable Regulatory Authority would review and approve the standard document, if applicable. It is recommended that the BSA, when required, be incorporated into the Master Service Agreement<sup>2</sup> as an appendix, along with other commitments between the Supplier and the Utility. Therefore, the attached version of the BSA does not contain a section for standard legal terms and provisions that are provided for in the Master Service Agreement. If the BSA were to be a stand-alone document, it would be necessary to add this section to the document.

## B. BILLING SERVICES AGREEMENT OUTLINE

### 1.A. PREFACE

a.(1) General description of the agreement

b.(2) Scope and relationships with other documents (e.g., Supplier Tariff)

(3) Identification of the parties to the agreement. Regulatory approval, if required.

(4) Effective date

<sup>1</sup> The BSA outline provides market participants with a framework from which to create a jurisdiction-specific service agreement based on the structure, rules and governing documents of the jurisdiction. This outline is not intended to be a formal, legal document that dictates the terms and conditions of the contractual relationship between a Utility and Supplier. Terms of the ultimate document will reflect the structure of a particular retail market.

<sup>2</sup> Master Service Agreement defined in the UBP Manual section entitled: “MARKET PARTICIPANT INTERACTIONS: GOVERNING DOCUMENTS, CREDITWORTHINESS AND PERFORMANCE STANDARDS”

## 2.B. KEY COMPONENTS OVERVIEW AND SELECTIONS

a.(5) Selection Identification of consolidated billing option(s) [Supplier or Utility Distribution Company Type, Bill Ready or Rate Ready.]

b.(6) Type Selection of payment processing options(s) ~~as made available selected~~ by the Billing Party ~~per billing option~~ [Purchase Assumption of Receivables or Pay As You Get Paid]

c.(7) Definition of terms

## 3.C. BILLING OBLIGATIONS AND OPTIONS

a.(8) Standard

1(a) Detail relevant terms and conditions between the two (2) parties specified ~~contractually~~ in the consolidated billing option [e.g., Billing Party (“BP”) obligations, Non-Billing Party (“NBP”) obligations, aAccuracy of NBP Non-billing Party charges]

1[D.Intro]

1

2(b) ~~For selected payment processing method,~~ Ddetail responsibilities for billing, including: performance parameters, financial arrangements, and other details (e.g., bill insert, timing on receiving Non-bBilling Party charges, responsibility for calculating late payment charges)

1[D.2.a]

b.(9) Optional

1(c) Detail responsibilities for non-standard billing arrangement to be provided to the Non-bBilling Party by the Billing Party for Industrial and Commercial (“I&C”)selected Customers (e.g., issue bills on non-standard cycle, non-standard rates)

1[D.1.b.2]

2(d) Detail responsibilities for non-energy charges (e.g., billing for HVAC services)

1[D.2.a]

## 4.D. PAYMENT OBLIGATIONS AND OPTIONS

a.(e) Standard

1(f) For the selected payment processing method, either Assumption of Receivable or Pay As You Get Paid, detail terms and responsibilities for payment of the Non-bBilling Party by the Billing Party, including but not limited to: performance parameters, financial arrangements, creditworthiness, notifications of Customers disputes and other details (e.g. ~~forms of payment~~ method of payment, timing of payment to the Non-billing Party)

1[D.2.a]

~~2)(g)~~ Detail the level of uncollectibles to be reflected in the amount due for Purchased Assumption of Receivables method, if applicable.  
1)[D.2.c.2]

**b. Optional**

(1) Detail responsibilities for special payment features that affect both parties (e.g., budget billing)  
1)[D.1.f]

~~2)(2)~~ Detail agreement and terms when Billing Party provides payment arrangements to a Customer~~s~~ on behalf of the Non-billing BParty (e.g., terms for payment by Customers in arrears)  
[D.2.d.3]

~~3)Detail agreement and terms for the BP to apply and collect Late Payment Charges (“LPC”) for the NBP (e.g., finance charge applied on behalf of NBP by BP)~~  
1)[D.2.b.9.a]

~~4)(3)~~ Detail conditions to change ~~to the~~ level of uncollectibles to be reflected in the amount due for Purchased Assumption of Receivables method.  
1)[D.2.c.1]

**5.E. COLLECTION OBLIGATIONS AND OPTIONS**

**a.c. Standard**

(1) Detail activities related to the collection actions to be taken if provided by the Billing Party (e.g., apply collection of LPC late payment charges after 30 days, letter to Customer~~s~~ notification after 60 days)  
[D.2.b.9.a]

~~2)(2)~~ For selected payment processing method, detail responsibilities for remittance, including: performance parameters, financial arrangements, and other details (e.g., payment advice within 2 days timing)  
1)[D.2.a]

~~3)(3)~~ Detail terms and conditions for the Billing Party to carry forward arrears on a Customer’s account no longer served by the for inactive Non-billing BParty on an active Customer’s bill (e.g., Billing Party will carry charges for inactive the Non-billing BParty on the bill for 60 days a specified period of time)  
1)[D.2.b.8.a]

~~4)(4)~~ Detail the threshold for overdue payments and identified delinquencies that can result in the conversion of the a Customer~~s~~ to dual Dual billing Billing or to regulated energy supply service (e.g., timing of conversion Customer~~s~~ overdue by 60 days and the BP converts to dual billing)

(5) Detail agreement and expectations for providing Distribution Company access to current customer payment information held by the Billing Party to the Distribution Company to avoid physical disconnection for nonpayment in error.  
1)[D.2.b.3] When the DC is not the BP, Detail agreement and expectations for providing Distribution Company access to BP current customer payment information to manage disconnection activities.

**b.d. Optional**

~~1)(1)~~ Detail the Non-billing Party's collection activities related to the collection of overdue funds if not provided by the Billing Party (e.g., Non-billing BParty is responsible for all collections of Non-billing BParty charges)  
1)[D.2.b.9.d]

~~2)(2)~~ Special arrangements for collection of funds by the Billing Party

**6.F. SERVICE LEVEL AND REMEDIES**

~~a.c.~~ Detail expectations for performance and responsibilities of each party, including remedies for failure to meet obligations- ~~(Events of Default)~~ (e.g., Non-billing BParty calls for change due to Billing Party performance)  
[D.Intro]

~~b.f.~~ Detail terms and conditions for the Billing Party ~~to pay interest to the Non-billing BParty interest ifwhen the payment for~~ undisputed charges is not are due and not made to the Non-billing Party ~~paid within~~ the appropriate time frame  
[D.2.b.4]

~~e.g.~~ Provisions for aAuditing Billing Party activities, including:

- 4)
- ~~1) Payment priority application verification~~
  - ~~2) Bill verification~~

~~d.h.~~ Detail the terms of the Non-billing Party's payment for billing services rendered by the Billing Party on behalf of the Non-billing Party (e.g. timing and method of payment)

~~e.~~ Detail on payment timing and methods between parties

**7.2. MISCELLANEOUS**

~~Detail agreement and expectations for providing access to current payment information by the BP to the Utility to avoid physical disconnection for nonpayment in error.~~