

# Outline for Model Billing Services Agreement For Consolidated Billing

This Billing Services Agreement outline provides market participants with a framework from which to create a jurisdiction specific agreement based on 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 Billing Services Agreement will be legally binding on the parties and will reflect the structure of a particular retail market.

## BILLING SERVICES AGREEMENT OUTLINE

### I PREFACE

- A. General description of the Billing Services Agreement.
- B. Scope and relationships with other Governing Documents.
- C. Identification of the parties to the Billing Services Agreement.
- D. Effective date and term of the Billing Services Agreement.
- E. Conditions precedent to the execution of the Billing Services Agreement (e.g. data exchange protocols, licensing, creditworthiness, and billing system capability).

### II KEY COMPONENTS

- A. Identification of Billing Party [Supplier or Distribution Company].
- B. Identification of the Consolidated Billing option(s) [Bill Ready and / or Rate Ready].
- C. Type of payment processing option(s) selected by the Billing Party [Assumption of Receivables or Pay As You Get Paid].
- D. Definition of terms used in the Billing Services Agreement.

### III BILLING OBLIGATIONS AND OPTIONS

- A. Specify relevant responsibilities, terms and conditions between the parties for the Consolidated Billing option(s) selected including:

performance parameters, financial arrangements, and other details (e.g. bill format, bill insert requirements, timing for receiving Non-Billing Party charges, lead time for price changes, responsibility for calculating late payment charges, fees for billing services, accuracy of Non-Billing Party charges).

- B. Specify any creditworthiness criteria that the Non-Billing Party's Customers would have to satisfy to be eligible for Consolidated Billing.
- C. Specify responsibilities for non-standard billing arrangements to be provided to the Non-Billing Party by the Billing Party for selected Customers (e.g., issue bills on non-standard cycle, non-standard pricing).
- D. Specify responsibilities for non-energy charges (e.g., billing for energy management services).
- E. Specify responsibilities for billing features that affect both parties (e.g., budget billing).

#### IV PAYMENT OBLIGATIONS AND OPTIONS

- A. Specify responsibilities, terms and conditions for payments due to the Non-Billing Party from the Billing Party related to their Consolidated Billing of Customers, including performance parameters, financial arrangements, creditworthiness, notification of Customer bills In Dispute, and other details (e.g., method of payment, timing of payment, payment advice timing, payment posting order).
- B. Specify responsibilities, terms and conditions for payments due to the Billing Party from the Non-Billing Party related to their Consolidated Billing of Customers including fees for billing services (e.g., method of payment, timing of payment).
- C. Specify the level of uncollectibles to be reflected in the amount due for Assumption of Receivables method, if applicable.
- D. Specify the conditions to change the level of uncollectibles to be reflected in the amount due for Assumption of Receivables method, is applicable.

- E. Specify responsibilities, terms and conditions when the Billing Party provides payment arrangements to a Customer on behalf of the Non-Billing Party (e.g., terms for payment by the Customer in arrears).

## V COLLECTION OBLIGATIONS AND OPTIONS

- A. Specify activities related to the collection actions to be taken by each party (e.g., collection of late payment charges, Customer notification).
- B. Specify responsibilities, terms and conditions for the Billing Party to carry forward arrears on a Customer's account no longer served by the Non-Billing Party (e.g., Billing Party will carry charges for the Non-Billing Party on the bill for a specified period of time, returning outstanding arrears to the Non-Billing Party).
- C. Specify the threshold for outstanding payments and identified delinquencies that can result in the conversion of a Customer to Dual Billing or to regulated energy supply service (e.g., timing of conversion).
- D. When the Distribution Company is not the Billing Party, specify the responsibilities, terms and conditions for providing the Distribution Company with real-time Billing Party payment information for specific Customer accounts in order for the Distribution Company to take appropriate collection action.
- E. Identify special handling arrangements for collection of funds for specific Customer accounts.

## VI SERVICE LEVEL AND REMEDIES

- A. Specify expectations for performance and responsibilities of each party, including remedies for failure to meet obligations (e.g., Non-Billing Party calls for change due to Billing Party performance).
- B. Specify terms and conditions for the Billing Party to pay interest to the Non-Billing Party when payment for undisputed charges is not made to the Non-Billing Party within the appropriate time frame.
- C. Specify terms and conditions for the Non-Billing Party to pay interest to the Billing Party when payment for billing services rendered is not made to the Billing Party within the appropriate time frame.
- D. Specify the provisions for reviewing and auditing Billing Party activities on behalf of the Non-Billing Party.