



North American Energy Standards Board

1100 Louisiana, Suite 3625, Houston, Texas 77002
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Home Page: www.naesb.org

RETAIL GAS QUADRANT

GAS PRACTICES INVENTORY TASK FORCE

Survey

March 27, 2003

SUBCOMMITTEE: Supplier / Utility Interface

CATEGORY: Creditworthiness

1. What entity do you represent?

KeySpan Energy Delivery

2. What is the date of this response?

April 8, 2003

3. What jurisdiction are these responses for?

New York City (Boroughs of Brooklyn, Parts of Queens and Staten Island) and Long Island (the counties of Nassau and Suffolk and Parts of the Borough of Queens).

4. How often is the Delivery Service Suppliers' creditworthiness reviewed?

Annually (at a minimum) or as required, if a marketer has materially changed his financial position or increased his credit exposure with the utility (i.e. increase in marketer receivable resulting from an increase in customer base or purchase of bundled sales service from the utility).

5. What are the creditworthiness determinants?

A minim rating of "BBB" from S&P, "Baa2" from Moody's, or "BBB" from Fitch or by posting security in an acceptable form (as governed by the NYS Uniform Business Practices).



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6. How do you calculate the security requirement?

The security requirement is calculated by taking the maximum daily quantity (MDQ) of a marketer's customers' projected aggregate consumption, based on the appropriate season of the past year (January consumption), priced at the highest month's average daily closing NYMEX price at the Henry Hub, plus upstream capacity charges to the city gate, for the appropriate season of the past year multiplied by 30 days.

7. What types of security instruments are allowed?

An advance deposit or payment; a standby irrevocable letter of credit issued by an institution with at least an "A" bond rating; security or collateral found to be satisfactory to the utility; a guarantee, acceptable to the utility made by another party or entity with a satisfactory credit rating of at least "BBB" by S&P, "Baa2" by Moody's or "BBB" by Fitch; a lockbox mechanism; a surety bond from an institution with a least an "A" bond rating or other mutually acceptable means of providing or establishing adequate security (e.g. escrow accounts, loss pooling, etc.).

8. When may the Local Distribution Company call on the security?

The utility may call upon the security, after providing the marketer with 5 days notice, whenever the marketer fails to pay the utility on a timely basis, unless the marketer makes payment in full within the 5-day notice period.



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SUBCOMMITTEE: Technical Electronic Implementation Subcommittee

CATEGORY: Customer Information

1. What entity do you represent?

KeySpan Energy Delivery

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April 8, 2003

3. What jurisdiction are these responses for?

New York City (Boroughs of Brooklyn, Parts of Queens and Staten Island) and Long Island (the counties of Nassau and Suffolk and Parts of the Borough of Queens).

4. What type of historical customer information is available to the Delivery Service Provider?

The utility provides customer consumption profiles to marketers free of charge. Gas profiles are weather-normalized forecasts for a 12-month period.

5. How is the customers' credit information shared with the Delivery Service Provider?

Credit information shall be made available only after receipt of written authorization from the customer. The information provided is limited to whether or not the customer had late payment charges and/or was disconnected during the past 12 months.



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6. How quickly must the Local Distribution Company respond to the Delivery Service Provider's request?

The LDC must provide the Delivery Service Provider with a gas consumption profile within two business days of receipt of the request unless the request pertains to accounts that require manual processing. Accounts processed off-line must be provided within 5 business days of receipt of the request.

7. How is the customers' meter read data (consumption) shared with the Delivery Service Provider?

Meter reading data is provided to marketers as a data file attached to an electronic mail.

8. What are the Delivery Service Provider's limits on the use of the customer information?

A customer can block or unblock marketer access from gas consumption information and the marketer may not obtain historical usage or customer credit information without the express written consent of the customer.

9. What are the rules governing the use of customer mailing lists?

The utility does not provide customer mailing lists to any marketer.



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SUBCOMMITTEE: Customer Processes Subcommittee

CATEGORY: Uniform Utility Billing and Collection Services and Charges

1. What entity do you represent?

KeySpan Energy Delivery

2. What is the date of this response?

April 8, 2003

3. What jurisdiction are these responses for?

New York City (Boroughs of Brooklyn, Parts of Queens and Staten Island) and Long Island (the counties of Nassau and Suffolk and Parts of the Borough of Queens).

4. What information must be provided on the Local Distribution Company's invoice to the Delivery Service Provider?

Invoices are issued on a monthly basis and must provide detail of monthly imbalances, extraordinary customer data provided on request, demand charges, special meter reading charges, adjustment to prior invoices and other retail tariff services provided the request of marketers.

5. What are the invoice payment terms?

Bills are payable upon presentation and are subject to late payment charges. Marketers shall pay the full amount stated in the invoice, without deduction, set-off or counterclaim, within 20 calendar days from the date of the invoice transmittal.



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6. How are billing questions and disputes managed between the Local Distribution Company and the Delivery Service Provider?

Claims that invoices are not correct must be made in writing and postmarked no later than three months after the disputed invoice was mailed or provided electronically.

7. How are overpayments managed between the Local Distribution Company and the Delivery Service Provider?

Overpayments made by the marketer as a result of an inaccurate invoice or determined through dispute resolution shall be credited to the marketers account if a prior shortage exists or be refunded otherwise. Credit or refund must occur within 5 calendar days of a determination that an overpayment occurred and shall earn interest at a rate of 1.5% per month from the date of the overpayment until the date of the credit or repayment.

Overpayments made voluntarily by a marketer shall be credited to the marketer's account but shall not earn interest unless the overpayment is applied to the security deposit.



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SUBCOMMITTEE: Customer Processes Subcommittee

CATEGORY: Billing Agency Arrangements

1. What entity do you represent?

KeySpan Energy Delivery

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3. What jurisdiction are these responses for?

New York City (Boroughs of Brooklyn, Parts of Queens and Staten Island) and Long Island (the counties of Nassau and Suffolk and Parts of the Borough of Queens).

4. What are the Delivery Service Provider's obligations as the customers' billing agent?

When a marketer acts as the customer-billing agent, the marketer must apply all customer payments, unless otherwise directed by the customer, first to utility charges, current and past due. If the customer has a deferred payment agreement with the LDC the payment shall be applied first to the current charges and then to the agreed upon deferred payment installment. The billing agent can negotiate deferred payment arrangements or intercede on behalf of the customer on other related utility matters provided that it can demonstrate that the customer has given it the authority to do so. The marketer must include a clear, plain language explanation of billing agency and its implications in their standard contract/disclosure statements, if they are to offer such arrangements. The marketer must



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distribute annually, to each customer, the “Summary of Customer Rights Notice”, and to each gas customer the “Annual Gas Safety Notice”, which will be provided, in bulk, by the utility.

5. What are the Local Distribution Company’s obligations in administering the billing agency arrangement?

When a marketer acts as the customer-billing agent, the utility must provide the marketer with the “Summary of Customer Rights Notice” and the “Annual Gas Safety Notice”, in bulk, for distribution by the marketer to customers annually. The utility should incorporate bill messages regarding a customer’s specific bill into the billing information transmitted. The utility must send all disconnection-related notices and deferred payment arrangements directly to the customer. The utility should inform the customer of what communications to expect from them and what to expect from the billing agent, upon customer’s election of billing agency. The LDC may assess late payment charges on marketers only if payment is not received within 25 days of the billing agent’s receipt of the customers billing information. Any delays in transmission of billing data caused by the LDC must be reflected as a comparable adjustment in the corresponding due date for both the agent and the customer. Security may be collected from the marketer as specified by the creditworthiness requirements previously discussed. The utility must continue to accept payment of utility charges at all agencies where payments for customers who have not selected bill agency are accepted. Utilities and Billing Agents are permitted, by mutual agreement, to develop customized billing and collection arrangements. If the billing agent fails to remit payment on time the utility must notify the customer of that failure. The LDC may not attempt to collect such payments directly from customer who have previously paid their billing agent. Any loses incurred for such non-payments shall be recovered from available security and any remaining balances shall be deferred.



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6. What are the provisions for the use of a “lock box” payment mechanism?

Under the lockbox the marketer customers payment will be made to the lockbox, which will be administered by a mutually agreed upon entity. All costs associated with implementing and administering the lockbox will be the responsibility of the marketer. The allocation of funds in the lockbox between the utility and the marketer, and other administrative rules, must be agreed to by both parties, with the utility having first rights on funds in the lockbox to offset utility charges. The administrative rules shall specify when the lockbox mechanism may be terminated for non-compliance. The utility, after petition to the NYS Public Service Commission, is permitted to terminate the lockbox if expected customer payments are not received in a timely manner.

7. What are the provisions for terminating the billing agency arrangement?

The utility may terminate a Billing Agency Agreement and send its invoices for delivery charges directly to the marketer’s customers after providing five calendar days’ notice to the billing agent, if the agent has not paid the utility on a timely basis for its delivery charges (unless payment is made in full before the expiration of the 5 day notice period) or if the agents credit rating or security is no longer adequate and the agent fails to post the necessary additional security within 5 calendar days notice or the utility draws on the marketers security deposit and the marketer does not reinstate the require security within 5 calendar days notice or the marketer has on several occasions failed, after notice from the utility, to meet its other obligations as billing agent, as set forth in the utility’s tariff, operating procedures and/or agreements with the utility (if applicable).



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SUBCOMMITTEE: Customer Processes Subcommittee

CATEGORY: Dispute Resolution Process – Suppliers and LDCs

1. What entity do you represent?

KeySpan Energy Delivery

2. What is the date of this response?

April 8, 2003

3. What jurisdiction are these responses for?

New York City (Boroughs of Brooklyn, Parts of Queens and Staten Island) and Long Island (the counties of Nassau and Suffolk and Parts of the Borough of Queens).

4. What is the initial notification process for a dispute between a Delivery Service Provider and a Local Distribution Company?

Either party may initiate the dispute resolution process by presenting a written description of the dispute/complaint, and a proposed resolution, to the other party (ies) involved in the dispute, sent in a manner that will verify its receipt.

5. What is the hierarchy of payments between the Local Distribution Company and the Delivery Service Provider?

The hierarchy of payments between the LDC and marketer is utility arrears and utility current charges than marketer arrears and marketer charges.



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6. What is their requirement to meet to resolve a dispute?

The parties may request a meeting to resolve a dispute if the initial exchange of written material (and perhaps verbal discussions) does not resolve the dispute.

7. When does the Public Service Commission become involved during dispute resolution?

If a resolution is not obtained within 45 calendar days after the initial complaint letter or a mutually agreed upon time frame, either party may file the complaint with the PSC for resolution.

8. What alternate methods are available to resolve disputes?

The parties may also pursue other legal mechanisms to address complaints and disputes.



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SUBCOMMITTEE: Customer Processes Subcommittee

CATEGORY: Dispute Resolution Process – Suppliers and Customers

1. What entity do you represent?

KeySpan Energy Delivery

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3. What jurisdiction are these responses for?

New York City (Boroughs of Brooklyn, Parts of Queens and Staten Island) and Long Island (the counties of Nassau and Suffolk and Parts of the Borough of Queens).

4. What is the process for resolving a dispute between a Delivery Service Provider and a customer?

The process for resolving a dispute between a delivery service provider and a customer must be spelled out in the contractual agreement between the marketer and the customer.

5. What is the hierarchy of payments between the Local Distribution Company and the Delivery Service Provider?

The hierarchy of payments between the LDC and marketer is utility arrears and utility current charges than marketer arrears and marketer charges.



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6. What is the requirement for a Delivery Service Provider to resolve a dispute?

The Delivery Service Providers obligations in dispute resolution should be spelled out in his contract with the customer.

7. What is the requirement for a Delivery Service Provider and a Local Distribution Company to work together to resolve a dispute between a Delivery Service Provider and a customer?

The LDC does not intervene in disputes that arise between the marketer and the customer except to the extent where the utility can verify or clarify established facts that are part of the utility/customer record and/or have been provided to the marketer or customer by the utility (i.e. verifying billable consumption, transportation start date, etc.)



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SUBCOMMITTEE: Customer Processes Subcommittee

CATEGORY: Billing and Payment Processing - Dual Billing

1. What entity do you represent?

KeySpan Energy Delivery

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3. What jurisdiction are these responses for?

New York City (Boroughs of Brooklyn, Parts of Queens and Staten Island) and Long Island (the counties of Nassau and Suffolk and Parts of the Borough of Queens).

4. What are the billing options?

Marketers may render a separate bill to the customer for commodity charges; the marketer may submit his charges to the utility for presentation on the utility's bill or the marketer may, in agreement with the customer, become the billing agent of the customer, have the utility forward the customer bill to him (as the customers agent) and render a bill to the customer that includes the utility charges.

5. Who are the billing parties?

The billing parties are the utility and the marketer.

6. What billing format is used and how is it determined?

The marketer billing format is specific to each individual marketer.



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7. What are the minimum elements on a Delivery Service Provider's bill?

Bills must comply with all consumer protection requirements established by statutes, regulations, commission orders and as stated in any agreement with customers, provide such agreement does not conflict with any requirements established by statutes, regulations or commission orders.

8. How are billing determinants communicated between the Delivery Service Provider and the Local Distribution Company or other billing party?

The utility sends via electronic mail a meter read report, on a daily basis, detailing the customer name, service address, bill period, consumption billed and whether the read was actual or estimated.



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March 27, 2003

SUBCOMMITTEE: Customer Processes Subcommittee

CATEGORY: Billing and Payment Processing – Utility Consolidated Billing

1. What entity do you represent?

KeySpan Energy Delivery

2. What is the date of this response?

April 8, 2003

3. What jurisdiction are these responses for?

New York City (Boroughs of Brooklyn, Parts of Queens and Staten Island) and Long Island (the counties of Nassau and Suffolk and Parts of the Borough of Queens).

4. What are the billing options?

The “Bill Ready” method which requires that each non-billing party, after receiving the customers usage data, calculate its own charges and send those charges and other billing information and bill messages in a form that allows the billing party to transfer the information to the billing party’s bill in a format selected by the billing party.

5. What are the requirements for the Local Distribution Company to provide a consolidated bill?

The business practices governing the consolidated bill process assumes that data will be exchanged using a uniform electronic data interchange (EDI) system. Accordingly, these practices will not be in full force and effect until EDI is operational.



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6. What is the hierarchy of payments between the Local Distribution Company and the Delivery Service Provider?

The hierarchy of payments between the LDC and marketer is utility arrears and utility current charges than marketer arrears and marketer charges.

7. What are the functions and responsibilities of the Local Distribution Company and the Delivery Service Provider?

The LDC will make available all validated usage information necessary for billing when it is deemed appropriate. All customer usage, billing and credit data is to be considered confidential and may not be shared with anyone without the express authorization of the customer, unless disclosure is required by appropriate legal or regulatory authority or is authorized in accordance with the Uniform Business Practices of the State of New York. Utilities and marketers must demonstrate the technical capability to exchange information electronically for the billing and payment processing options offered by each party and meet the operational time frames. Each party is responsible for ensuring that the calculation of its applicable state and local tax charges for presentation on the bill is in accordance with all statutes and local ordinances. The cancel and rebill process may not be unduly discriminatory, must be clear and reproducible, and be communicated to all affected parties. Bills must comply with all consumer protection requirements established by statutes, regulations, commission orders and as stated in any agreement with customers provide such agreement does not conflict with any requirements established by statutes, regulations or commission orders.

8. What are the minimum elements on a consolidated bill?

Customer Name, service address, billing address, billing party account number, start and end of billing cycle period, billing period metered usage including any multiplier used to convert usage to billing units, indicators if usage is estimated or actual, total current charges, total prior bill charges, total credits since last bill, date through which credits



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have been applied, total current bill, billing party name, billing party address, billing party toll free or local phone number, utility toll free or local phone number for emergencies.

9. How are payments processed between the Local Distribution Company and the Delivery Service Provider?

Payments are electronically transferred from the utility to the marketer via wire payment.



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March 27, 2003

SUBCOMMITTEE: Customer Processes Subcommittee

CATEGORY: Billing and Payment Processing – Supplier Consolidated Billing

1. What entity do you represent?

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4. What are the billing options?

The “Bill Ready” method which requires that each non-billing party, after receiving the customers usage data, calculate its own charges and send those charges and other billing information and bill messages in a form that allows the billing party to transfer the information to the billing party’s bill in a format selected by the billing party. The “Rate Ready” method eliminates the need for a non billing party to receive customers usage data immediately and instead provides for a non billing party to furnish the billing party in advance with bill messages and rates, rate codes and/or prices so that when the billing party receives the usage data from the meter reading entity it may directly calculate both its and the non billing party charges and subsequently issue the bill.



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5. What are the requirements for the Delivery Service Provider to provide a consolidated bill?

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7. What are the functions and responsibilities of the Local Distribution Company and the Delivery Service Provider?

The LDC will make available all validated usage information necessary for billing when it is deemed appropriate. All customer usage, billing and credit data is to be considered confidential and may not be shared with anyone without the express authorization of the customer, unless disclosure is required by appropriate legal or regulatory authority or is authorized in accordance with the Uniform Business Practices of the State of New York. Utilities and marketers must demonstrate the technical capability to exchange information electronically for the billing and payment processing options offered by each party and meet the operational time frames. Each party is responsible for ensuring that the calculation of its applicable state and local tax charges for presentation on the bill is in accordance with all statutes and local ordinances. The cancel and rebill process may not be unduly discriminatory, must be clear and reproducible, and be communicated to all affected parties. Bills must comply with all consumer protection requirements established by statutes, regulations, commission orders and as stated in any agreement with customers provide such agreement does not conflict with any requirements established by statutes, regulations or commission orders.



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8. What are the minimum elements on a consolidated bill?

Customer Name, service address, billing address, billing party account number, start and end of billing cycle period, billing period metered usage including any multiplier used to convert usage to billing units, indicators if usage is estimated or actual, total current charges, total prior bill charges, total credits since last bill, date through which credits have been applied, total current bill, billing party name, billing party address, billing party toll free or local phone number, utility toll free or local phone number for emergencies.

9. How are payments processed between the Local Distribution Company and the Delivery Service Provider?

Payments are electronically transferred from the utility to the marketer via wire payment.