



North American Energy Standards Board

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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?

NIPSCO

2. What is the date of this response?

April 1, 2003

3. What jurisdiction are these responses for?

Indiana

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

Annually

5. What are the creditworthiness determinants?

- Financial Stress Class (2 or below)
- Credit Score Class (3 or below)
- Quick Ratio (at or above industry median)
- Paydex (80 or above)
- Supplier Evaluation Risk (4 or below)
- Existence of relevant suits or judgments which might undermine creditworthiness
- Trade references



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- Previous customer history
6. How do you calculate the security requirement?
The Supplier Aggregation Service tariff currently specifies that the security requirement be based upon the maximum aggregate delivery obligation of the supplier for a two-month period.
 7. What types of security instruments are allowed?
A performance bond, performance or irrevocable letter of credit, or, at NIPSCO's discretion, a guaranty from the supplier's parent company where ownership interest of the parent is at least 80% and the parent company's net worth is \$100 million or more.
 8. When may the Local Distribution Company call on the security?
NIPSCO has the right to access and apply the deposit, performance bond, or letter of credit to any payment obligations that are deemed to be late.



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March 27, 2003

SUBCOMMITTEE: Technical Electronic Implementation Subcommittee

CATEGORY: Customer Information

1. What entity do you represent?

NIPSCO

2. What is the date of this response?

April 2, 2003

3. What jurisdiction are these responses for?

Indiana

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

While the filed tariff requires that the prior twelve months of historic usage data be made available to the Delivery Service Provider, as a matter of internal policy up to three years of monthly usage history is provided for each customer who enrolls with the Delivery Service Provider. (The Delivery Service Provide can specify the number of months of history desired.) Monthly load profiles based on normal usage are also provided for each rate and service plan.

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

Credit information is not shared with the Delivery Service Provider.

Customers who are in arrears are not allowed to select an alternative provider.



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

N/A

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

Consumption data is available electronically to the Delivery Service Provider on a real time basis (i.e., when customer bills).

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

There are no formal limits currently established on the use of customer information provided to the Delivery Service Provider.

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

Mailing lists are currently not made available to Delivery Service Providers, but the Local Distribution Company has the option to do so.



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SUBCOMMITTEE: Customer Processes Subcommittee

CATEGORY: Uniform Utility Billing and Collection Services and Charges

1. What entity do you represent?

NIPSCO

2. What is the date of this response?

April 2, 2003.

3. What jurisdiction are these responses for?

Indiana.

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

While there are no formal requirements, the current information on the invoice is:

- Account number
- Customer name
- Address - service, and mailing
- Due date of bill
- Previous amount due
- Payments received, and date posted
- Current charges
- Current balance
- Billing dates
- Rate, and use
- Charges
- Return address for bill payment



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5. What are the invoice payment terms?

Payment is due 17 days after bill is issued.

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

Questions and disputes are directed to the Manager, Industrial Billing and Controls.

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

Any credit balances are refunded within two days of the billing date, and mailed as soon as possible.



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SUBCOMMITTEE: Customer Processes Subcommittee

CATEGORY: Billing Agency Arrangements

1. What entity do you represent?

NIPSCO

2. What is the date of this response?

April 4, 2003

3. What jurisdiction are these responses for?

Indiana

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

The Delivery Service Provider accepts exclusive responsibility for all sales, and other taxes that apply and are due on the sale of natural gas to any end use customer aggregated under the Provider's Supplier Aggregation Service Agreement. The Delivery Service Provider must timely file all required tax reports within the State of Indiana. The Delivery Service Provider must agree to indemnify the Local Distribution Company from any and all taxes and any penalties and interest thereon, resulting from the failure of Delivery Service Provider to satisfy its tax obligations related to the sale of gas.

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



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To incorporate the rate plans as received and bill the customers according to those plans.

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

Permitted.

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

The billing agency arrangement is part of the Supplier Aggregation Service Agreement, and can only be changed by establishing a new Supplier Aggregation Service Agreement after the termination of the current agreement, unless both parties agree to modify the provisions of the billing agency arrangement within the current Agreement.



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SUBCOMMITTEE: Customer Processes Subcommittee

CATEGORY: Dispute Resolution Process – Suppliers and LDCs

1. What entity do you represent?

NIPSCO

2. What is the date of this response?

April 7, 2003

3. What jurisdiction are these responses for?

Indiana

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

There is no formal initial notification process for a dispute between the Delivery Service Provider and Local Distribution Company.

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

Payment hierarchy is as follows:

- Example 1: Current bill, no arrears - partial payment will satisfy LDC utility first, then DSP, then LDC non-utility
- Example 2: Customer has incurred enough arrears to risk disconnection - all payments will be applied solely to LDC to prevent danger of customer



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being shut-off for non-payment. All payments after that will resume the hierarchy - next in line would be supplier arrearages, etc.

- Example 3: Customer has not incurred enough arrears to risk disconnection - Hierarchy is applied as follows: 3-month LDC is paid first, then 3-month DSP, then 2-month LDC, then 2-month DSP, etc.

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

There is no requirement to meet to resolve a dispute.

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

In the event a disagreement arises between the LDC and DSP, the DSP may file a complaint with the Public Service Commission to resolve the dispute at any time.

8. What alternate methods are available to resolve disputes?

If agreed to by the LDC, the DSP can seek resolution through binding arbitration.



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SUBCOMMITTEE: Customer Processes Subcommittee

CATEGORY: Dispute Resolution Process – Suppliers and Customers

1. What entity do you represent?

NIPSCO

2. What is the date of this response?

April 8, 2003

3. What jurisdiction are these responses for?

Indiana

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

The Local Distribution Company, upon being approached by either the Delivery Service Provider or the customer, will act as arbiter in the dispute. Should either of the disputants reject the decision of the Local Distribution Company, their complaint is referred to the utility regulatory commission.

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

Payment hierarchy is as follows:

- Example 1: Current bill, no arrears - partial payment will satisfy LDC utility first, then DSP, then LDC non-utility



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- Example 2: Customer has incurred enough arrears to risk disconnection - all payments will be applied solely to LDC to prevent danger of customer being shut-off for non-payment. All payments after that will resume the hierarchy - next in line would be supplier arrearages, etc.
- Example 3: Customer has not incurred enough arrears to risk disconnection - Hierarchy is applied as follows: 3-month LDC is paid first, then 3-month DSP, then 2-month LDC, then 2-month DSP, etc.

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

There are no formal requirements.

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?

There are no formal program requirements.



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SUBCOMMITTEE: Customer Processes Subcommittee

CATEGORY: Billing and Payment Processing - Dual Billing

1. What entity do you represent?

NIPSCO

2. What is the date of this response?

April 9, 2003

3. What jurisdiction are these responses for?

Indiana

4. What are the billing options?

There is only one method of dual billing.

5. Who are the billing parties?

The Local Distribution Company and the Delivery Service Provider.

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

There are no formal billing formats.

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

The only formal requirements is that all bills rendered by the Delivery Service Provider shall include the following statement: ***“If you have a natural gas emergency you should immediately notify Northern Indiana Public Service Company by calling 1-800-4NIPSCO (1-800-464-7726).”*** The DSP would also



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- be expected to identify itself and to provide the appropriate gas supply charge, along with the billing date, billing period, volume of gas delivered and energy equivalent.
8. How are billing determinants communicated between the Delivery Service Provider and the Local Distribution Company or other billing party?
- They are communicated electronically via standard file transfer protocols.



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SUBCOMMITTEE: Customer Processes Subcommittee

CATEGORY: Billing and Payment Processing – Utility Consolidated Billing

1. What entity do you represent?

NIPSCO

2. What is the date of this response?

April 10, 2003

3. What jurisdiction are these responses for?

Indiana

4. What are the billing options?

There is only one method of consolidated billing.

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

To incorporate the rate plans as received, identify the Delivery Service Provider and the Delivery Service Provider's gas supply charges as a separate line item on the bill, and to remit payments to the Delivery Service Provider in accordance with the schedule agreed upon by both parties, or the terms and conditions specified in the Accounts Receivable Agreement established between both parties.

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



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Payment hierarchy is as follows:

- Example 1: Current bill, no arrears - partial payment will satisfy LDC utility first, then DSP, then LDC non-utility
- Example 2: Customer has incurred enough arrears to risk disconnection - all payments will be applied solely to LDC to prevent danger of customer being shut-off for non-payment. All payments after that will resume the hierarchy - next in line would be supplier arrearages, etc.
- Example 3: Customer has not incurred enough arrears to risk disconnection - Hierarchy is applied as follows: 3-month LDC is paid first, then 3-month DSP, then 2-month LDC, then 2-month DSP, etc.

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

The Delivery Service Provider provides rate plans to the Local Distribution Company, and the Local Distribution Company applies these plans based upon the metered usage of the customer when preparing the consolidated bill.

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

Customer account number and meter number, volume of natural gas delivered, BTU conversion factor, amount of natural gas delivered in therms, billing date, number of days in billing period, amount due in previous bill and amount paid, utility delivery charge, supplier identity and supplier's gas supply charge, and amount of state tax added to bill.

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

- For Delivery Service Providers who do not choose to have the Local Distribution Company purchase their receivables, the DSP is paid twice monthly – with the first payment sent the first working day after the 15th of the month, and the second payment sent the first working day after the last day of



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the month. The DSP can choose whether payments are sent by check or via electronic wire transfer.

- For Delivery Service Providers who choose to have the Local Distribution Company purchase their receivables, a single payment is made by electronic wire transfer within twenty days after the last day of the month (generally on the fifth working day of the following month).



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SUBCOMMITTEE: Customer Processes Subcommittee

CATEGORY: Billing and Payment Processing – Supplier Consolidated Billing

1. What entity do you represent?
NIPSCO
2. What is the date of this response?
4/1/03
3. What jurisdiction are these responses for?
Indiana
4. What are the billing options?
N/A
5. What are the requirements for the Delivery Service Provider to provide a consolidated bill?
N/A
6. What is the hierarchy of payments between the Local Distribution Company and the Delivery Service Provider?
N/A
7. What are the functions and responsibilities of the Local Distribution Company and the Delivery Service Provider?
N/A



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

N/A

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

N/A