

Market Participant Interactions

Model Business Practices

(Title Page)

Version Notes

(To be completed)

Introduction

(To be completed)

Needs to be completed by SUIIS before being sent to the EC

Executive Summary

(To be completed)

Needs to be completed by SUIIS before being sent to the EC

General Note: Formatting needs to be consistent throughout and with other NAESB Documents.

Business Process and Practices

A. Overview

Scope: (remove colon)

The procedures and processes described in these Model Business Practices are intended to provide a consistent framework for identifying and documenting the roles of the various Market Participants involved in serving Customers' energy needs in competitive markets. In practice, the Governing Documents described within these Model Business Practices will guide the interactions between Market Participants including:

- Suppliers in their interactions with Distribution Companies
- Distribution Companies in their interactions with Suppliers
- Other Market Participants in their interactions with Suppliers, Distribution Companies, or both, including, but not limited to, entities such as:
 - Parties performing the Registration Agent function (when not performed by the Distribution Company)
 - Parties performing meter reading
 - Parties performing billing
 - Parties aggregating (but not serving) Customer loads
 - Parties performing/supporting settlement

Principles (shouldn't font be the same as "Scope" font?)

The Governing Documents developed for a given geographical market area should be comprehensive and consistent with one another so that all Market Participants have a clear understanding of their roles and ~~the~~ obligations.

This role definition should include not only the processes and functions to be performed, but also a description of interactions and communications necessary among Market Participants to enable the market to function efficiently.

The Applicable Regulatory Authority and the Market Participants should strive to maximize flexibility while minimizing the number and complexity of Governing Documents.

Performance standards should be established for key processes and transactions to ensure that all parties fulfill their roles.

A testing/certification process, as defined in the Governing Documents, is necessary to ensure that new entrants to a market are qualified to perform their roles.

Definitions (shouldn't font be the same as "Scope" font?)

Applicable Regulatory Authority: The state regulatory agency or other local governing body that provides oversight, policy guidance, and direction to any parties involved in the process of providing energy to retail access Customers through regulations and orders. **Note: This does not address FERC/Federal which may end up playing a role to some extent. May be too hard to change at this point, but should be considered for later.**

Customer: Any entity that takes gas and/or electric service for its own consumption.

Distribution Company: A regulated entity which provides distribution services and may provide energy and/or transmission/transportation services in a given area.

Distribution Company Operational Manuals: Documents prepared and published by Distribution Companies that describe, in detail, operating processes/procedures that will be used to perform retail access functions, so that Suppliers are aware of, and can fulfill, their responsibilities.

Distribution Company-Supplier Service Agreement: A bi-lateral contractual agreement between the Distribution Company and the Supplier that determines the parties' roles, responsibilities, and interactions in serving retail access Customers. Usually this will be the "master" agreement that will cover most aspects of providing retail access service. There may be one or more subsidiary agreements, **in order to address covering-specific** functional areas.

Governing Documents: Documents that determine the interactions among parties, including, but not limited to, regulatory documents (e.g., tariffs, rules, regulations), contractual agreements, and Distribution Company Operational Manuals.

Market Participant: A party engaged in the process of providing competitive retail energy to end-use customers including, but not limited to, the Distribution Company, the Supplier, the Registration Agent, the settlement agent, and the meter reading entity.

Market Participant Service Agreement: A contractual agreement between or among Market Participants that determines the parties' roles, responsibilities, and interactions in serving retail access Customers. These include the Distribution Company-Supplier Service Agreement and any other agreements executed by Market Participants to facilitate retail access (for example: a contract between a meter reading entity and the Supplier detailing how usage data will be provided).

Registration Agent: An entity facilitating switches and performing record-keeping for a specified geographical area.

B. Model Business Practices

Why did numbering change from Jan 13 version (This was 3.2, is now 3.1?)

3.1 Governing Documents

3.1.1 Model Business Practices

Note: On 1/13, we said we would put these in alphabetical (or some logical order). They have been put in categories, but should they be in alphabetical order within the category?

3.1.1.1 Typically, the following operational items should be addressed in Governing Documents:

- General
 - Any fees or charges
 - Creditworthiness
 - Standard operating rules
 - Performance standards
 - Dispute resolution process
 - Uniform Electronic Transactions

- Customer Enrollment/Switching
 - Release of Customer information
 - Switching processes and procedures
 - Customer authorization **mentioned twice**
- Customer Billing and Payment Processing
 - Customer authorization **mentioned twice**
 - Meter reading and data management
 - Customer billing
 - Customer payment processing
 - Customer credit and collection processes and procedures
- Customer Service
 - Customer service processes and procedures
- Retail Settlement
 - Energy losses
 - Load profiles
 - Scheduling processes and procedures
 - Retail Settlement **settlement**

3.1.2 Datasets

None

3.1.3 Models.

None

3.2 Regulatory Documents

Note: On 1/13/04, we said there would be a global search on “Regulatory Documents” and it would be changed to “Governing Documents”

3.2.1 Model Business Practices

- 3.2.1.1 Market Participants will utilize **regulatory documents** (change?) established by the Applicable Regulatory Authority to provide the policy framework for retail access, including the following:
- All fees and/or credits required for regulated services,
 - Definitions of roles and responsibilities, including what has to be done, by when and by whom,
 - Definitions of regulatory policy in such areas as: available metering and billing options, creditworthiness standards and load profiling eligibility.

3.2.2 Datasets

None

3.2.3 Models.

None

3.3 Contractual Agreements

3.3.1 Model Business Practices

- 3.3.1.1 Market Participants should execute contractual agreements with one another to establish the legal relationship and obligations between the parties in providing retail access service to Customers.
- 3.3.1.2 At a minimum, the Distribution Company and the Supplier should execute a Distribution Company-Supplier Service Agreement encompassing, either directly or through subsidiary agreements, all aspects of providing retail access service where these parties depend upon one another.
- 3.3.1.3 To the extent that some functions required for retail access service are performed by third parties -other than a Distribution Company or Supplier - this third party should execute Market Participant Service Agreements with the Distribution Company or Supplier, as applicable, for the service(s) provided.

- 3.3.1.4 If applicable, Market Participants should also execute:
 - Trading Partner Agreements
 - Metering Service Agreements
 - Billing Service Agreements (if ~~Consolidated Billing~~ consolidated billing is used) (Note: Consolidated Billing is not a defined term in this document.)

- 3.3.1.5 In addition to specifying the roles and responsibilities, the Market Participant Service Agreement should also:
 - Define the communication process between the parties,
 - Set forth performance expectations,
 - Define data required for interactions to interact,
 - Specify the optional services, such as billing method or metering options that one party will supply to the other along with the relevant terms and conditions, and
 - Define the dispute resolution process.

- 3.3.1.6 The content of contractual agreements between Market Participants should adhere to the policies set in regulatory documents

3.3.2 Datasets

None

3.3.3 Models.

- 3.3.3.1 Outline of a Distribution Company-Supplier Service Agreement

- 3.3.3.2 Outlines of subsidiary/other Market Participant Service Agreements
 - 3.3.3.2.1 Billing Services Agreement
 - See REQ/RGQ CPS -- Model Billing Service Agreement Outline

 - 3.3.3.2.2 Metering Services Agreement (TBD) Needs to be completed before SUIS sends to EC

 - 3.3.3.2.3 Trading Partner Agreement (TBD) Needs to be completed before SUIS sends to EC

 - 3.3.3.2.4 Should the outline of the “Non-Disclosure Agreement” be added?

3.4 Distribution Company Operational Manuals

3.4.1 Model Business Practices

- 3.4.1.1 Detailed Distribution Company processes and procedures regarding retail access not covered in [regulatory documents \(regulatory or governing?\)](#) or contractual agreements should be stated in Distribution Company Operational Manuals.
- 3.4.1.2 Operational manuals should be:
 - nondiscriminatory;
 - publicly available;
 - collaboratively developed and modified; and
 - acknowledged by the Applicable Regulatory Authority.
- 3.4.1.3 The content of Distribution Company Operational Manuals should adhere to the policies set in [regulatory documents \(regulatory or governing?\)](#) and applicable contractual agreements.

3.4.2 Datasets

None

3.4.3 Models.

None

3.5 Performance Standards

3.5.1 Model Business Practices

- 3.5.1.1 Performance standards should be developed for key retail access processes and should be published in the Governing Documents.
- 3.5.1.2 Market performance should be monitored, compared to these standards, and appropriate actions taken to achieve performance that meets the standards.
- 3.5.1.3 Performance standards should be:
 - nondiscriminatory;
 - publicly available;
 - collaboratively developed and modified; and
 - acknowledged by the Applicable Regulatory Authority.

- 3.5.1.4 Performance standards may be considered for the following operational items, as well as others:
- Customer Information Exchange
 - Customer information request responses issued within the appropriate time frame (indication of problems accessing and/or transmitting Customer information).
 - Customer Switching
 - Rejected Switch Requests (indication of problems obtaining necessary validation data from Customer and/or passing data from Supplier to Distribution Company);
 - Customer notification letters issued within the appropriate time frame (indication that Customers are notified of Switching activity in time to take action if appropriate);
 - Customer rescissions (indication of Customer confusion, misinformation, and/or unauthorized Switching); and
 - Switch responses to valid Switch Requests (or Drop responses to valid Drop Requests) within specified time frame (indication of degree of automation and/or accuracy of Switching systems and ability to implement Customer choices).
 - Meter Usage and Meter Attributes Data Transfer
 - **Time frame of** meter data ~~provided within appropriate time frame~~ (indication of degree of automation and/or accuracy of meter data management systems); and
 - **Amount of** estimated/missing data (indication of degree of automation and/or accuracy of meter reading and meter data management systems).
 - Billing
 - Bill Ready charges ~~provided in the appropriate~~ time frame (indication of problems receiving, calculating and/or transmitting bill-ready billing information within the billing window);
 - Consolidated Bills issued with all appropriate charges (indication that Customers are receiving timely and accurate consolidated bills); and
 - **Amount of** time to render bills after receipt of the non-billing party charges (indication that consolidated bills are issued promptly).
 - Payments
 - Customer payments provided by billing party to non-billing party within appropriate time frame (indication of problems exchanging cash transactions between the parties); and
 - **purchased Purchased** receivable payments made by the billing to the non-billing party within the appropriate time frame (indication of problems exchanging cash transactions between the parties).

3.5.2 Datasets

3.5.3 Models.

3.6 Supplier Certification

3.6.1 Model Business Practices

- 3.6.1.1 Distribution Companies should have a process to certify a Supplier's, or other Market Participant's, ability to perform the roles required of them in that Distribution Company's service area.
- ~~3.6.1.2~~ Distribution Companies should apply the certification process in a non-discriminatory manner to all parties who have met all statutory/regulatory requirements for the relevant jurisdiction (e.g. **if Supplier licensing is required, a license has been obtained** ~~they have obtained a license, if Supplier licensing is required~~).
- 3.6.1.3 Certification requirements should be met prior to enrolling customers (if a Supplier) or prior to providing a service (other Market Participants providing services such as meter reading or billing).
- 3.6.1.4 Key elements of certification include:
 - Demonstrating the ability to exchange data and conduct business via the Uniform Electronic Transactions that have been developed for use in the jurisdiction.
 - Demonstrating of the ability to handle reasonably expected volumes of transactions accurately while meeting performance standards applicable to the market area.
- 3.6.1.5 Certification requirements should be published so that all potential Market Participants know what is expected
- 3.6.1.6** Demonstrations of required abilities should be in the form of standardized tests, such as the successful transfer of test data and a "penny test" to ensure funds transfers occur as planned. **Should "penny test" be defined? Don't know what a "penny test" is.**

3.6.2 Datasets

3.6.3 Models.

- 3.6.3.1