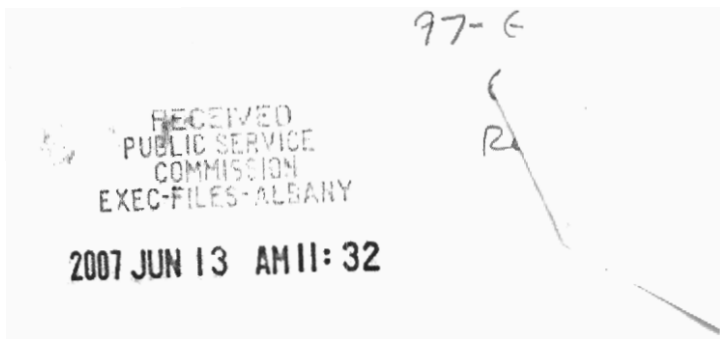


**nationalgrid**



June 12, 2007

Honorable Jaclyn A. Brillling, Secretary  
State of New York  
Public Service Commission  
Office of the Secretary, 19th Floor  
Three Empire State Plaza  
Albany, New York 12223-1350

RE: Gas Transportation Operating Procedures Manual (GTOP)

Dear Secretary Brillling:

Niagara Mohawk Power Corporation, d/b/a National Grid, hereby files three copies of its GTOP manual in accordance with the Commission's Order concerning reliability in Case 97-G-1380 issued and effective December 21, 1999. As required by the Commission's December 21, 1999 Order, marketers and direct customers are being notified of all changes in the GTOP manual concurrently with this filing.

The Company requests the GTOP manual to become effective on July 12, 2007.

If you have any questions regarding this manual, please contact Dennis Bartlett on (315) 428-5850.

Sincerely,

Marcia G. Collier  
Manager, Gas Pricing

MGC/tlf (S:\tariffs\219tariff\docfile\letters\lett180)

**nationalgrid**

**GAS TRANSPORTATION OPERATING  
PROCEDURES MANUAL**

1.	<i>Introduction</i> .....	1
a.	<b>Brief Description of Manual Contents</b> .....	1
2.	<i>Overview of Company</i> .....	2
	Gas Delivery Organization .....	2
	Transportation Customer and Marketer Support Personnel/Services .....	3
	Customer Service Personnel.....	4
b.	<b>Affiliate Transaction Standards</b> .....	5
c.	<b>Territory</b> .....	5
	Narrative Description .....	5
	Pipelines Serving the Franchise Area with Designations of Receipt Points.....	6
d.	<b>Service Classifications</b> .....	7
e.	<b>Customer Breakdown</b> .....	11
3.	<i>Uniform Business Practices Generic to Aggregation and Large Volume Transportation Customers</i> .....	12
a.	<b>Creditworthiness</b> .....	12
b.	<b>Customer Information</b> .....	13
c.	<b>Billing, Collection Services and Charges</b> .....	13
d.	<b>New Delivery Customer Requirements</b> .....	14
e.	<b>Switching Customers</b> .....	14
f.	<b>Slamming Prevention</b> .....	15
g.	<b>Discontinuance of Service</b> .....	15
h.	<b>Dispute Resolution</b> .....	15
i.	<b>Partial Requirements Customers</b> .....	16
j.	<b>Billing Agency Arrangements</b> .....	16
k.	<b>Consolidated Billing</b> .....	16
l.	<b>Metering</b> .....	16
4.	<i>Gas Delivery Management Procedures for Residential and Small Commercial Customers</i> .....	17
	<b>MONTHLY BALANCING SERVICE</b> .....	17
a.	<b>Marketer Eligibility</b> .....	17
b.	<b>Pool Operators</b> .....	18
c.	<b>Customer Eligibility</b> .....	18
d.	<b>Enrollment Procedures</b> .....	19
e.	<b>Delivery Quantity Determination Procedures</b> .....	19
f.	<b>Capacity Assignment/Use Procedures – Comparability Determination</b> .....	20
g.	<b>Nomination Procedures</b> .....	21
h.	<b>Balancing: daily/monthly, tolerances, trading, and penalties</b> .....	21
i.	<b>Reconciliation/True-ups</b> .....	21

j.	Standby Services .....	22
k.	Storage/Peaking Services .....	23
l.	Meter Reading.....	26
m.	Summary of Applicable fees, charges and penalties .....	26
<b>5.</b>	<b><i>Gas Delivery Management Procedures for Larger Commercial and Industrial Customers, Firm and Interruptible</i></b> .....	<b>27</b>
	<b>DAILY BALANCING SERVICE</b> .....	<b>27</b>
a.	Marketer/Direct Customer Eligibility .....	27
b.	Pool Operators.....	27
c.	Customer Eligibility.....	27
d.	Enrollment Procedures .....	28
e.	Delivery Quantity Determination Procedures.....	28
f.	Capacity Assignment/Use Procedures.....	28
g.	Nomination Procedures .....	28
h.	Balancing: daily/monthly, tolerances, trading, and penalties .....	29
i.	Reconciliation/True-ups .....	31
j.	Standby Services .....	32
k.	Storage/Peaking Service.....	32
l.	Meter Reading.....	32
m.	Summary of Applicable fees, charges and penalties .....	32
<b>6.</b>	<b><i>Requirements of Pool Operations</i></b> .....	<b>33</b>
a.	Provide a list of Marketer Contact Personnel.....	33
<b>7.</b>	<b><i>Communications Protocols</i></b> .....	<b>33</b>
a.	Need for open lines between Marketers and LDCs.....	33
b.	National Grid’s Website .....	35
c.	Semi-annual “Reliability Forums” .....	35
d.	EDI or Other Means of Transferring Information .....	35
e.	Other regular meetings/teleconferences.....	35
<b>8.</b>	<b><i>Operational Flow Orders (OFO)</i></b> .....	<b>36</b>
a.	Critical Periods .....	36
b.	System Alerts .....	36
c.	Operational Flow Orders .....	36
<b>9.</b>	<b><i>Curtailment</i></b> .....	<b>38</b>
a.	Marketer Curtailment Plans .....	38
<b>10.</b>	<b><i>National Grid Customer Interruption Requirements</i></b> .....	<b>39</b>
a.	Alternative Fuel Source Requirements .....	39

<b>b. Verification of Adequate Alternative Fuel Sources.....</b>	<b>39</b>
<b>c. National Grid On-Site Inspection of Interruptible Customers with Alternative Fuel Sources .....</b>	<b>41</b>
<b>d. National Grid On-Site Inspection of Eligible Interruptible Customers who Did Not Reduce to Zero the Interruptible Portion of Their Gas Service When Requested to Interrupt During the Winter Season or Who Did Not Return to National Grid the Alternative Fuel Source Requirements Form.....</b>	<b>42</b>
<b>e. National Grid Determination of Alternative Fuel Source Requirements .....</b>	<b>43</b>
<b>f. Customer’s Replenishment of Alternative Fuel Source Requirements.....</b>	<b>43</b>
Pool Operator Agreement for the <i>SupplierSelect</i> Program .....	46
<b>AGREEMENT APPLICATION FOR THE TRANSPORTATION OF CUSTOMER-OWNED GAS FORM 'T' .....</b>	<b>50</b>
Affidavit for <i>SupplierSelect</i> Program .....	52
Alternative Fuel Source Verification.....	54
<b>b. Remote Metering .....</b>	<b>56</b>
<b>c. Base and Thermal Methodology.....</b>	<b>60</b>
<b>d. Glossary of Terms .....</b>	<b>61</b>
<b>e. Uniform Business Practices.....</b>	<b>67</b>

## **1. Introduction**

### **a. *Brief Description of Manual Contents***

Since June 1996, all National Grid gas customers have had the option to purchase their natural gas supplies from someone other than National Grid.

Through the *SupplierSelect* Program, customers may purchase natural gas from Marketers who are on "National Grid's Approved Energy Supplier List." Marketers and Direct Customers are responsible for arranging pipeline deliveries of gas into National Grid's distribution system. Once the gas reaches National Grid's system, National Grid transports it on a firm or interruptible basis (in accordance with the terms of the customer's service classification) to the customer's facility or home.

This Manual contains the procedures to be used by Marketers and Direct Customers; each Marketer and Direct Customer should review the applicable terms, agreements, and services offered. This Manual should be used in conjunction with the terms and conditions for the Program set forth in Service Classification No. 11 of National Grid's Gas Tariff, PSC No. 219.

If a conflict arises between the contents of this Manual and the Tariff, the Tariff shall govern.

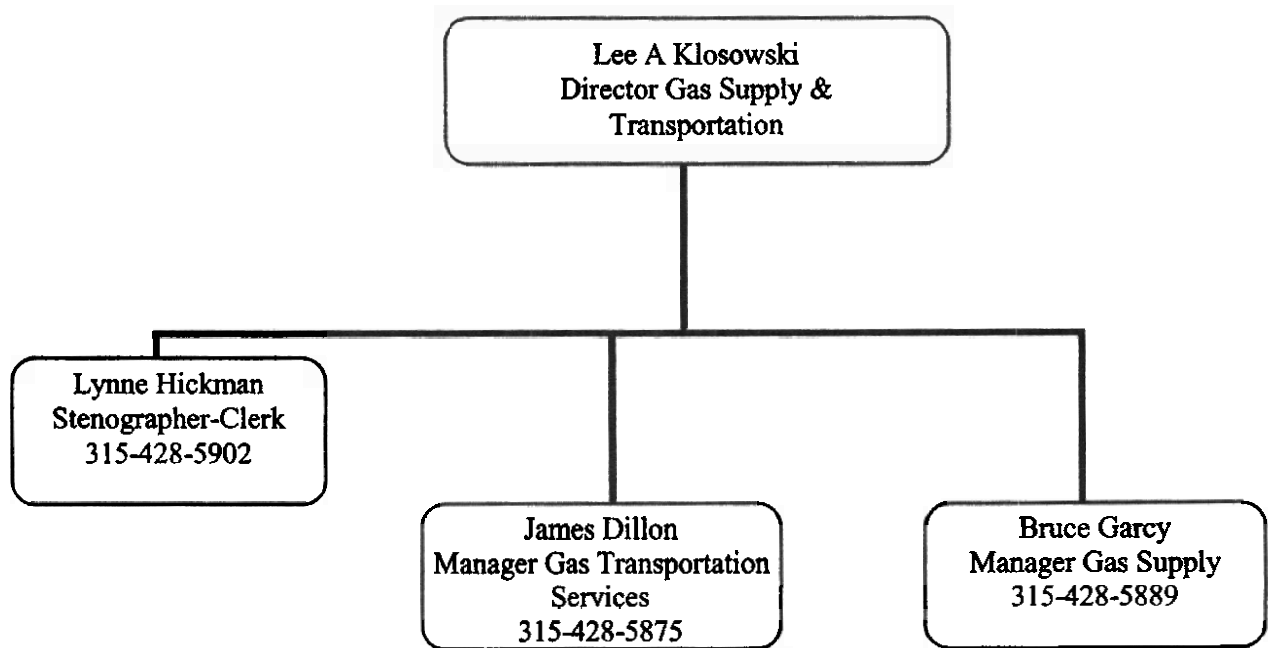
National Grid reserves the right to modify these procedures as may be necessary, consistent with requirements of the NY Public Service Commission.

Questions about the content of this Manual should be directed to National Grid's Transportation Services Department located at 300 Erie Boulevard West, Syracuse, New York 13202 or by calling (315) 428-5875, 5850 or 5898. Current information of interest to Marketers and Direct Customers may also be obtained from the National Grid Energy Market Center located at:

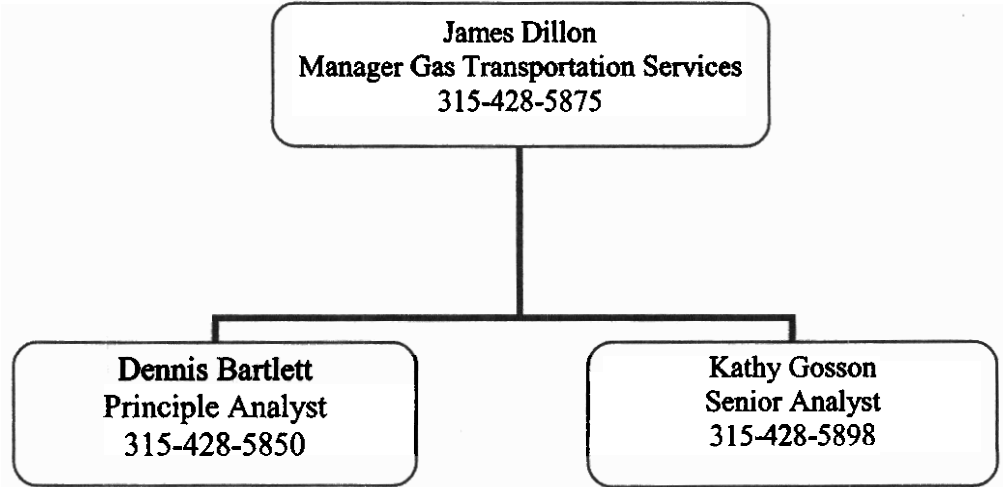
[http://www.nationalgridus.com/niagaramohawk/energy\\_supplier/index.asp](http://www.nationalgridus.com/niagaramohawk/energy_supplier/index.asp)

## 2. Overview of Company

### Gas Delivery Organization

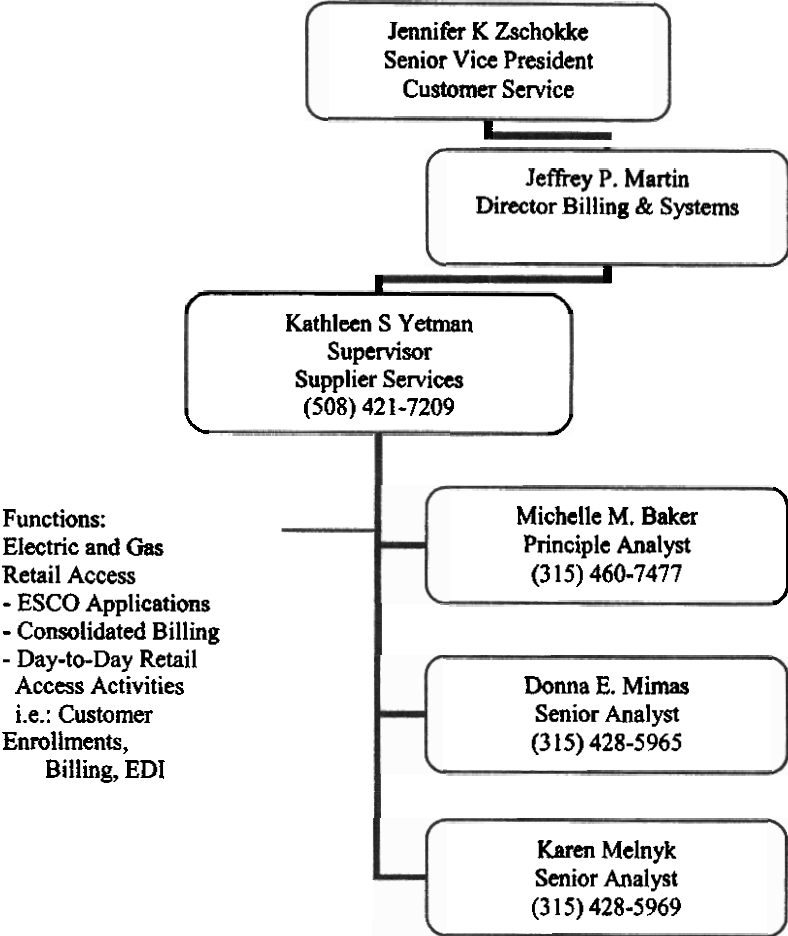


**Transportation Customer and Marketer Support Personnel/Services**



**Functions:**  
Day-to-Day Gas Transportation  
Operations for the *SupplierSelect*  
Program

**Customer Service Personnel**



**b. *Affiliate Transaction Standards***

National Grid (the “Company”) will refrain from giving any appearance that National Grid speaks or acts on behalf of any Marketer. The Company will not participate in any joint promotion or marketing with any individual Marketer on a discriminatory basis. The Company will not represent to any customer that an advantage may accrue by involving any individual Marketer as a potential alternative supplier.

In the event that a situation arises where there is concern that these standards are not being complied with, please contact the Vice President and General Counsel, National Grid.

**c. *Territory***

**Narrative Description**

National Grid is a regulated energy delivery company with the largest service territory in New York State. The Company serves more than 1.5 million electricity customers across 24,000 square miles of upstate New York and more than 540,000 natural gas customers over 4,500 square miles of eastern, central, and northern New York.

National Grid strongly endorses retail competition among all energy suppliers. While National Grid will not endorse any specific provider of energy if you do choose another supplier, National Grid will continue to provide safe, reliable energy delivery services and will always respond to energy emergencies, regardless of who provides you with your energy commodity. For more information about choosing your supplier, visit <http://www.nationalgridus.com/niagaramohawk/> or call 1-800-NIAGARA.



d. Service Classifications



**P.S.C. No. 219 Rates - (Now including the former NM Suburban Customers)**

**Explanation of Service Classifications**

September 2005

If you would like more information about a specific Service Classification, please contact the National Grid business office at 300 Erie Boulevard West, Syracuse – Phone (315) 428-5692.

NOTE: The aforementioned rates are brief excerpts of National Grid filed tariffs in effect as of the time of printing.

Customer Size	Service Class	Customer Type	Dual Fuel Capability Required	Type of Service	Delivery Service Rate	Comments
<b>a) Gas Delivery Service and Gas Supply Service</b>						
<b>Or</b>						
<b>b) Or Gas Delivery Service Only</b>						
No Restrictions	S.C. 1	Residential Service (1a or 1b)	No	Firm	First 3 Th. or less ... \$14.71 (Heat) Next 47 Th., \$/Th. ... 0.34921 Over 50 Th., \$/Th. ... 0.05322	Merchant Function Charge and Monthly Cost of Gas apply to customers purchasing their gas supply from National Grid. Weather Normalization Clause applies to heating customers.
No Restrictions	S.C. 2	Small General Service (1a or 1b)	No	Firm	First 3 Th. or less ... \$19.35 Next 277 Th., \$/Th. ... 0.26966 Next 4,720 Th., \$/Th. ... 0.15686 Over 5,000 Th., \$/Th. ... 0.05028	Merchant Function Charge and Monthly Cost of Gas apply to customers purchasing their gas supply from National Grid. Weather Normalization Clause applies to heating customers.
No Restrictions	S.C. 3	Large General Service (1a only)	No	Firm	First 5,000 Th. or less ... \$782.11 Over 5,000 Th., \$/Th. ... 0.04627	Monthly Cost of Gas applies; Ratchet – 1/3 of the highest 30 day usage during previous Jan. - March. Weather Normalization Clause applies to heating customers.
<b>Sales Service – Interruptible</b>						
≤ 2,500,000 Th./Yr.	S.C. 4	Large volume interruptible sales	Yes	Interruptible sales	Contract Facilities Charge \$300.00; commodity charge is set monthly based on oil price.	Service closed to new customers after June 1, 1996.
<b>Transportation and Special Services</b>						
Capable of consuming 50,000 Th. up to 1,000,000 Th. annually	S.C. 5 Firm	Transportation Service	Only for Human Needs Customers in order to be eligible for Daily Balancing	Firm transportation	First 100 Th. or less ... \$353.85 Over 100 Th., \$/Th. ... \$0.05211	Weather Normalization Clause applies to heating customers. Customers eligible for daily or monthly balancing.

**P.S.C. No. 219 Rates (Con't) - (Now including the former NM Suburban Customers)**

**Explanation of Service Classifications (Con't)**

September 2005

Customer Size	Service Class	Customer Type	Dual Fuel Capability Required	Type of Service	Delivery Service Rate	Comments
<b>(All Transportation and Special Services continued)</b>						
Capable of consuming 2,500,000 Th. annually	S.C. 6 Interruptible	Large volume transportation service	Yes	Interruptible transportation	First 100 Th. or less ... \$350.00 Over 100 Th., \$/Th.: Market price set monthly between minimum price of \$0.010 per Th. and maximum price of the effective firm rate.	
50,000 Th. transported per year	S.C. 7	Small volume transportation	Only for Human Needs Customers in order to be eligible for Daily Balancing	Firm transportation	First 2,100 Th. or less ... \$303.30 Over 2,100 Th., \$/Th. ... \$0.10334	Weather Normalization Clause applies to heating customers. Customers eligible for daily or monthly balancing.
Capable of consuming 1,000,000 Th. annually	S.C. 8	Transportation service	No	Firm transportation	First 100 Th. or less ... \$707.70 Next 99,900 Th., \$/Th. ... \$0.05211 Next 400,000 Th., \$/Th. ... \$0.04717 Over 500,000 Th., \$/Th. ... \$0.04044	
Capable of consuming 1,000,000 Th. annually	S.C. 8	Standby sales service	No	Firm standby sales service at levels nominated by customer's marketer	Standby demand costs based on nominated levels; standby commodity cost billed to customer's marketer	Daily balancing applies.
Negotiated transportation service	S.C. 9	Transportation service for long-term, large volume customers (viable economic alternative to supply)	No	Transportation service with limited interruptibility	Negotiated in each contract	For contracts with an effective date subsequent to June 1, 1996 daily and monthly cashout apply unless balancing occurs upstream of NMPC.
No restrictions	S.C. 10	Natural gas vehicle service	No	Firm/interruptible service for slow and quick fill fuel facilities. Firm service for resale in a public refueling facility	Market price set monthly between a minimum and maximum rate	
Terms of Load Aggregation	S.C. 11	Aggregation transportation	NA	NA	NA	S.C. 11 defines the terms of Load Aggregation

**Note 1:** S.C. Nos. 1, 2, 3, 5, & 7 Gas Heat Customers are subject each October – May to a Weather Normalization Adjustment – Merchant Function Charge = 2.222¢ per Therm and is related to the cost of procuring Gas Supplies  
**Key to Abbreviations:** Th. = Therm; S.C. = Service Classification; NA = Not Applicable

**nationalgrid**

**P.S.C. No. 219 Rates -**

**SC 12 Non-Residential Distributed Generation Service**

**EXPLANATION OF SERVICE CLASSIFICATIONS**

APRIL 2004

If you would like more information about a specific Service Classification, please contact the National Grid business office at 300 Erie Boulevard West, Syracuse - Phone (315) 428-5692.  
NOTE: The aforementioned rates are brief excerpts of National Grid's filed tariff in effect as of the time of printing.

Customer Size	Service Class	Customer Type	Type of Service	Delivery Service Rate	Comments
Annual Consumption Less than 250,000 Therms	S.C. 12	Non-Residential Distributed Generation Service	Firm Delivery and Gas Supply Service or Firm Delivery Service Only	First 3 Th. or less ..... \$100.00 Over 3 Therms (Apr to Oct) ..... \$04149 Over 3 Therms (Nov to Mar) ..... \$05256	- Merchant Function Charge and Monthly Cost of Gas apply to customers purchasing their gas supply from NMPC. WNA and Economic Development Rates are not applicable.
Annual Consumption 250,000 Therms to 500,000 Therms	S.C. 12	Non-Residential Distributed Generation Service	Firm Delivery and Gas Supply Service or Firm Delivery Service Only	First 3 Th. or less ..... \$353.85 Over 3 Therms (Apr to Oct) ..... \$03697 Over 3 Therms (Nov to Mar) ..... \$04683	- Merchant Function Charge and Monthly Cost of Gas apply to customers purchasing their gas supply from NMPC. WNA and Economic Development Rates are not applicable.
Annual Consumption greater Than 1,000,000 Therms But Less Than 2,500,000 Therms	S.C. 12	Non-Residential Distributed Generation Service	Firm Delivery and Gas Supply Service or Firm Delivery Service Only	First 100 Th. or less ..... \$1,400.00 Next 499,900 Therms (Apr to Oct) ..... \$03447 Next 499,900 Therms (Nov to Mar) ..... \$04366 Over 500,000 Therms (Apr to Oct) ..... \$02955 Over 500,000 Therms (Nov to Mar) ..... \$03743	- Merchant Function Charge and Monthly Cost of Gas apply to customers purchasing their gas supply from NMPC. WNA and Economic Development Rates are not applicable.
Annual Consumption greater Than 2,500,000 Therms	S.C. 12	Non-Residential Distributed Generation Service	Firm Delivery and Gas Supply Service or Firm Delivery Service Only	First 3 Th. or less ..... \$1,400.00 Over 3 Therms (Apr to Oct) ..... \$00691 Over 3 Therms (Nov to Mar) ..... \$00876 Demand charge Per Therm of MPDQ \$0.75500	- Merchant Function Charge and Monthly Cost of Gas apply to customers purchasing their gas supply from NMPC. WNA and Economic Development Rates are not applicable.

Company forms required to be completed as part of the SC12 application process. (Refer to Program and Policy Administration Procedure RSG3021)

1. The Sales or Delivery Service Application (Non-residential)
2. Agreement Application for the Transportation of Customer Owned Gas - Form 'T'
3. Large Commercial/Industrial Gas Transportation and SC12 Distributed Generation (Non-Residential) New Account Requirements Form

**NOTES:**

1. SC12 DG service is firm and applicable to baseload DG applications of less than 50 MW. Service is not available on a peaking basis.
2. DG Customers must demonstrate the ability to operate at a minimum load factor of 50% within the first year of service. Customers failing to maintain the 50% load factor after a period of one year will be removed from the SC12 rate and placed on a non-DG rate for at least a period of one year.
3. Load Factor is defined as "Annual Usage divided by (Winter MPDQ x 365 Days)". The winter MPDQ will initially be set based on the rated fuel requirements of the installed DG equipment and the customer's electrical requirements. Thereafter, On April 1 of each year the Winter MPDQ will be reset to the highest daily volume served during the previous winter period November through March.

4. All service rendered under SC12 must be metered separately from any other gas service provided to the customer's location.
5. The Company reserves the right to reject application for SC12 service where, in the sole discretion of the Company, the provision of service would require the purchase of incremental capacity on the transmission systems of its pipeline suppliers. Therefore, all applications for Company provided commodity service or Monthly Balancing service must have prior written approval from the Director, Gas Supply. (Refer to Program and Policy Administration Procedure RSG3021)
6. RTU's for SC12 Daily Balanced DG service will be installed at the customer's expense.
7. The DG technology and RTU must be installed and fully operable prior to taking service on SC12.

# P.S.C. No. 219 Rates - SC 13 Residential Distributed Generation Service

## EXPLANATION OF SERVICE CLASSIFICATIONS June 2005

If you would like more information about a specific Service Classification, please contact the National Grid business office at 300 Erie Boulevard West, Syracuse – Phone (315) 428-5692.  
NOTE: The aforementioned rates are brief excerpts of National Grid's filed tariff in effect as of the time of printing.

Customer	Service Class	Customer Type	Type of Service	Delivery Service Rate	Comments
Monthly Consumption	S.C. 13	Residential Distributed Generation Service	Firm Delivery and Gas Supply Service or Firm Delivery Service Only	First 3 Therms or less ..... \$24.00 Over 3 Therms Per Month Per Meter. \$.03200	Merchant Function Charge and Monthly Cost of Gas apply to customers purchasing their gas supply from National Grid. WNA and Economic Development Rates are not applicable. Customers electing delivery only service must participate in monthly balancing service under SC11 and are subject to a Stand-by charge per Therm of MPDQ.

Company forms required to be completed as part of the SC13 application process. (Refer to Program and Policy Administration Procedure RSG3014)

1. Application for Gas Service Form 'A'
2. SC13 Distributed Generation (DG) Service (Residential) New and Existing SC1 Accounts Requirement Form

**NOTES:**

1. SC13 DG service is firm service. Gas service under SC13 is not available to customers eligible for service under Rule 18 Gas Fired Emergency Generation.
2. During the Term of Service Agreement, gas will not be supplied under another service classification.
3. The Company reserves the right to reject an application for SC 13 service where, in the sole discretion of the Company, the provision of service would require the purchase of incremental capacity on the transmission systems of its pipeline suppliers. Therefore, all applications for Company provided commodity service or Monthly Balancing service must have prior written approval from the Director, Gas Supply. (Refer to Program and Policy Administration Procedure RSG3014).

4. An Approved Remote Meter (ARM) to remotely monitor gas consumption may be installed by Company at the Company's expense. Should the Company elect to install an ARM during the initial account setup, the customer shall provide access to an electrical supply (if needed) and existing phone line in an area acceptable to the Company for the operation of the device (a dedicated phone line will not be required).
5. In the event customer's application for service requires any system reinforcements, these reinforcements will be provided, solely, at the customer's expense.

**e. Customer Breakdown**

(Number of Customers and Annual Consumption as of March 2007)

MARCH 2007						
<u>CUSTOMER</u>	<u>Number of Customers</u>			<u>Annual Consumption (DT)</u>		
<u>TYPE</u>	<u>Sales</u>	<u>Transportation</u>	<u>% Migration</u>	<u>Sales</u>	<u>Transportation</u>	<u>% Load</u>
Residential	464,158	62,284	11.8%	41,993,413	6,812,599	14.0%
Small C&I	34,170	10,314	23.2%	12,117,558	7,437,268	38.0%
Large C&I	45	870	95.1%	1,178,681	32,549,888	96.5%
IPP/Special Contracts	1	14	93.3%	24,567	32,693,225	99.9%
<b>Totals</b>	<b>498,374</b>	<b>73,482</b>	<b>12.8%</b>	<b>55,314,219</b>	<b>79,492,980</b>	<b>59.0%</b>

Total Number of Customers	Total Annual Throughput (Dts)
571,856	134,807,199

### **3. Uniform Business Practices Generic to Aggregation and Large Volume Transportation Customers**

The Uniform Business Practices set forth in this section were approved by the NY PSC on January 22, 1999, Updated in November 2001, re-issued in November 2003 and November 2006 are incorporated into the Tariff by Reference.

#### **a. Creditworthiness**

##### **Overview**

National Grid establishes unsecured credit limits for all entities, including Marketers, Gas Suppliers who act as Marketers, and customers to whom the Company makes sale of gas for resale, by applying on a consistent, non-discriminatory basis the same financial evaluation standard. Credit limits are reviewed regularly. If an entity is assigned an unsecured credit limit that is not sufficient to meet the requirements, these requirements may be met by providing security in a form that is acceptable to National Grid.

Please refer to Section 3, Paragraph E, Appendix A, Uniform Business Practices Case 98-M-1343).

##### **Applicability**

These standards apply to Marketers and Direct Customers. Each entity must qualify on an individual basis.

- A Marketer/Direct Customer's participation in the Company's *SupplierSelect* Program is contingent upon the Marketer/Direct Customer meeting the credit requirements set forth herein.
- Credit appraisals and security requirements will be reviewed by the Company annually, at a minimum, and adjusted as financial evaluation dictates.
- Direct Customers, participating in Daily Balancing, who are dropped from their marketer's pool either through voluntary or involuntary action and cannot demonstrate the ability to deliver gas to the Company, will be subject to the following credit requirement:

The credit requirement shall be the product of the Customer's effective MDQ for the applicable month times the Commodity Charge times 30 days. The Commodity Charge shall be the sum of the peak forecasted NYMEX price for the next 12 months plus the effective average demand cost of gas.

### **Credit Exposure/Security Calculation**

Please refer to Section 3, Paragraph D - Appendix A, Uniform Business Practices Case 98-M-1343

- For the purpose of Natural Gas Imbalance Risk, the term MDQ shall mean:

MDQ -  $\frac{\text{Summer MDO}}{\text{Daily Baseload}} = (\text{Sum Total Thermal Response} \times 17.4 \text{ HDD}) + \text{Sum Total Daily Baseload}$   
 $\frac{\text{Winter MDO}}{\text{Baseload}} = (\text{Sum Total Thermal Response} \times 42.8 \text{ HDD}) + \text{Sum Total Daily Baseload}$

### **b. Customer Information**

#### **Historical Information**

Please refer to Section 4, Paragraph C - Appendix A, Uniform Business Practices Case 98-M-1343

#### **Billing Information**

Please refer to Section 4, Paragraph C - Appendix A, Uniform Business Practices Case 98-M-1343

### **c. Billing, Collection Services and Charges**

Please refer to Section 7, Paragraph B - Appendix A, Uniform Business Practices Case 98-M-1343

#### **Failure to Make Payment**

Please refer to Section 2, Paragraph F - Appendix A, Uniform Business Practices Case 98-M-1343

#### **Billing Questions and Disputes**

Please refer to Section 7, Paragraph C - Appendix A, Uniform Business Practices Case 98-M-1343

#### **Charges to Marketers from the Company**

Please refer to Section 7, Paragraph B - Appendix A, Uniform Business Practices Case 98-M-1343

The Company will charge Marketers/Direct Customers for the following:

Daily and Monthly Cashout of Imbalances and Additional Charges pursuant to Rule 29 of the Tariff, Balancing Charge, Over 50% Imbalance Penalty Charge, Forced Balancing OFO Charges, Demand Transfer Rate and Cashouts for True-ups.

- Additional historical customer usage, billing and credit information available upon request under Service Classification No. 11 of the Tariff.

- Other rates and charges approved by the PSC and set forth in the Company's Tariff, including, but not limited to, transportation or distribution rates, miscellaneous surcharges, and taxes.

**d. *New Delivery Customer Requirements***

**Process**

Please refer to Section 5, Paragraph I - Appendix A, Uniform Business Practices Case 98-M-1343

**Information to be Submitted by Marketer**

Marketers will also provide information about the customer's special needs, if any, including life support equipment.

**Commencement of Service**

The Company must accept new delivery customers before service may commence; any conditions set forth in the Company's Tariff for the initiation of service to such new delivery customers must be met.

**Initiation of Service Fees, Deposits, or Other Requirements**

Any fees, deposit requirements, or other charges identified in the Company's Tariff will apply to initiation of service to new delivery customers.

**Special Meter Reading Fees**

There will be no Company fees for special meter readings if performed in conjunction with the initiation of new delivery service.

**e. *Switching Customers***

Please refer to Section 5, Paragraph D - Appendix A, Uniform Business Practices Case 98-M-1343

**Process**

The new Marketer selected by the customer shall provide to the Company notices of requested switches. The notices shall be submitted via EDI or Internet on National Grid's secure website and shall comply with the enrollment requirements set forth in Service Classification No. 11 of the Tariff. The notices shall be submitted not later than 15 calendar days prior to the month service is to commence. For a 31 day month, this will be on the 17<sup>th</sup> of the month; for a 30 day month, this will be on the 16<sup>th</sup> of the month; for a 29 day month, this will be on the 15<sup>th</sup> of the month; and for a 28 day month, this will be on the 14<sup>th</sup> of the month.

**Customer Notification**

Please refer to Section 5, Paragraph E - Appendix A, Uniform Business Practices Case 98-M-1343

**Marketer Notification**

Please refer to Section 5, Paragraph D - Appendix A, Uniform Business Practices Case 98-M-1343

**Notice Period Required and Switch Date**

The request for a switch shall be submitted to the Company using the same process as described above.

The switch will then occur on the customer's regular meter reading date as specified in the Tariff. Deliveries for customers shall commence on the 1<sup>st</sup> of the month of the customer's regular meter reading date

**Frequency of Switches Allowed**

Please refer to Section 5, Paragraph L - Appendix A, Uniform Business Practices Case 98-M-1343

**Switching Fees**

Please refer to Section 5, Paragraph L - Appendix A, Uniform Business Practices Case 98-M-1343

**Verification of Accounts**

Please refer to Section 5, Paragraph L - Appendix A, Uniform Business Practices Case 98-M-1343

**Budget Billing Adjustments**

Please refer to Section 5, Paragraph L - Appendix A, Uniform Business Practices Case 98-M-1343

**f. Slamming Prevention**

Please refer to Section 5, Paragraph K - Appendix A, Uniform Business Practices Case 98-M-1343

**g. Discontinuance of Service**

**Discontinuance of Sales by Marketer to an Individual Customer**

Please refer to Section 5, Paragraph H - Appendix A, Uniform Business Practices Case 98-M-1343

**Involuntary Discontinuance of a Marketer's or Direct Customer's Participation in the *SupplierSelect* Program**

Please refer to Section 2, Paragraph F - Appendix A, Uniform Business Practices Case 98-M-1343

**Assignment of Marketer Contracts**

Please refer to Section 5, Paragraph J - Appendix A, Uniform Business Practices Case 98-M-1343

**h. Dispute Resolution**

Please refer to Section 8 - Appendix A, Uniform Business Practices Case 98-M-1343

National Grid's Vice President Pricing and Regulatory Proceedings will act as an ombudsman for the Gas Transportation Program. Marketers will be able to register concerns regarding the administration of the program with the ombudsman who, in a good faith manner, will seek to resolve such concerns.

***i. Partial Requirements Customers***

Not applicable.

***j. Billing Agency Arrangements***

Not applicable.

***k. Consolidated Billing***

Please refer to Section 9 - Appendix A, Uniform Business Practices Case 98-M-1343

In accordance with the Uniform Business Practices case 98-M-1343, National Grid offers a Consolidated Billing program. Any questions regarding consolidated billing, please contact Donna Mimas, 315-428-5965.

***l. Metering***

Not applicable.

#### **4. Gas Delivery Management Procedures for Residential and Small Commercial Customers**

##### **MONTHLY BALANCING SERVICE**

National Grid's Monthly Balancing Service is designed around and offered in conjunction with Dominion Transmission, Inc.'s (DTI's) Delivery Point Operator (DPO) and City Gate Swing Customer (CSC) Program. Marketers must participate in DTI's Program in order to participate in National Grid's Monthly Balancing Service. Any penalty charges assessed to National Grid or gas supply costs incurred as a result of a City Gate Swing Customer will be passed on directly to the appropriate party who caused the penalty.

##### **a. *Marketer Eligibility***

###### **Marketer Eligibility**

In order to become an eligible Marketer for National Grid's *SupplierSelect* Program, the Applicant shall submit "*SupplierSelect* Form 1 Application for Authorization to Act as a Marketer." Applicant must agree to comply with all of the terms and conditions set forth in Form 1. Receipt of this form will begin the process of creditworthiness approval.

Form 1 may be mailed or faxed by Applicant to the following address:

National Grid  
300 Erie Boulevard West  
Syracuse, New York 13202-4250  
*Attn: Donna Mimas, Supplier Services*  
Fax No. 315-460-9478

Applicant shall also send its two most current years of audited financial statements, if they exist, unless these statements were previously provided to a commercial credit rating agency. The Applicant shall indicate the credit rating of its senior unsecured debt and/or provide its Dun & Bradstreet number, if it has one.

The Credit Risk Policy and Guidelines for Marketers who would like to participate and continue to participate in the *SupplierSelect* Program can be found in Section 3, - Appendix A, Uniform Business Practices Case 98-M-1343

After the Marketer's credit limit has been established, National Grid's Supplier Services Department will contact the PSC to insure that the Marketer is listed on the PSC's "Energy Marketer List." If the Marketer is on the PSC's list, Supplier Services will then notify the Marketer that the Marketer's name is being placed on "National Grid's Approved Energy Supplier List" and that the Marketer is now eligible to participate in the *SupplierSelect* Program. If for any reason a Marketer is removed from the PSC's list, the Marketer will automatically and immediately be removed from National Grid's Marketer list.

The Marketer will then be issued a User ID and Password so that the Marketer can utilize the website functions. The National Grid Energy Market Center is located at:

[http://www.nationalgridus.com/niagaramohawk/energy\\_supplier/index.asp](http://www.nationalgridus.com/niagaramohawk/energy_supplier/index.asp)

If there are any questions regarding the User ID and/or Password, a Marketer should contact Donna Mimas at 315-428-5965.

“National Grid’s Approved Energy Supplier List” can be obtained by going to:

<http://www.nationalgridus.com/niagaramohawk/>

and clicking on “Energy Choice” then clicking on “Energy Supplier List” and then clicking on Service Type. The list is updated as changes are made or new Marketers are added to the list.

The “Energy Supplier List” contains the Marketer’s name, contact, telephone numbers and, if available, a link to the Energy Supplier’s Home Page. This information is extracted from *SupplierSelect* Form 1. Please make sure that the information posted is correct. If a Marketer wants to make a change, please contact the Donna Mimas at 315-428-5965.

**b. Pool Operators**

Eligible Marketers may designate a Pool Operator.

The Pool Operator shall be responsible for all deliveries, balancing, and settlement activities described in Service Classification No. 11 of the Tariff of its own customers, if any, and the customers of the Marketer on whose behalf it is acting. All actions of the Pool Operator related to the Marketer participating in National Grid’s *SupplierSelect* Program are absolutely binding on, and attributable to, such Marketer. Such Marketer is fully liable to the Company for all acts and omissions of the Pool Operator and shall indemnify, defend and hold harmless the Company from and against any and all claims, losses, damages, as described in the Tariff, that are directly or indirectly caused by, or arise out of, or are in any way connected with the Pool Operator’s acts or omissions.

To designate a Pool Operator, a Marketer must provide the Company with a fully executed Pool Operator Agreement. See Appendices for Pool Operator Agreement.

**c. Customer Eligibility**

Monthly Balancing Service is available to customers who have taken service under Service Classification Nos. 1, 2, 3, 5, 7 and 12 who have met the term provisions of their respective service classifications.

Under Monthly Balancing Service, a customer may:

- join a Marketer’s pool, but may designate only one Marketer to serve an individual gas account;
- authorize National Grid to provide a Marketer information on its National Grid billing history information;
- switch Marketers or apply for Sales Service from National Grid.

**d. Enrollment Procedures**

Please refer to Section 5, - Appendix A, Uniform Business Practices Case 98-M-1343

- A customer may only begin taking service from a Marketer on the scheduled meter read date. The customer may call in its meter read to National Grid's Customer Service Center or enter its read into the website at:  
<https://www.nationalgridus.com/niagaramohawk/youraccount/forms.aspx?Form=ViewYourAccount>

or, under certain circumstances, accept an estimated read.

Enrollments shall be submitted no later than 15 calendar days prior to the month service is to commence. For a 31 day month, this will be on the 17<sup>th</sup> of the month; for a 30 day month, this will be on the 16<sup>th</sup> of the month; for a 29 day month, this will be on the 15<sup>th</sup> of the month; and for a 28 day month, this will be on the 14<sup>th</sup> of the month.

**Enrollment Procedures for Sales Customers Who Consume Over 50,000 Therms Annually**

If the Marketer attempts to electronically enroll a National Grid Sales customer whose annual usage exceeds 50,000 therms, the Marketer will receive a message via EDI that will state "Customer usage over 50,000 therms, call NM." The Marketer should then call Donna Mimas at 315-428-5965, who will request that the Marketer fax the *SupplierSelect* Form 2 to Supplier Services at fax no. 315-460-9478.

**e. Delivery Quantity Determination Procedures**

Deliveries for customers shall commence on the 1<sup>st</sup> of the month of the customer's regular meter reading date.

Forecasted Daily Contract Quantity: Based on historic usage patterns and expected weather conditions, National Grid will issue a forecasted Daily Contract Quantity (DCQ) for each pool. (The Base and Thermal Methodology can be found in the Appendices of this Manual.)

The forecasted DCQ is provided to each Marketer 10 business day prior to the 1<sup>st</sup> day of each month. The forecasted DCQ is the quantity of gas that may be delivered daily. Marketers may meet the forecasted DCQ with flowing supply and/or storage. After the forecasted DCQ is issued for the 1<sup>st</sup> day of the month, Marketers may go to National Grid's website each day after 8:00 a.m. EST for the next day's forecasted DCQ.

Actual Daily Contract Quantity: National Grid will issue an actual DCQ, based on actual heating degree days, the day following the delivery of the forecasted DCQ. The difference between the Marketer's nomination and the actual DCQ will result in a change to the Marketer's storage balance on Dominion Transmission. The actual DCQ for each Marketer will be posted to National Grid's website and electronically transferred to Dominion Transmission's electronic bulletin board known as E-SCRIPT in order for Dominion to make the adjustment to storage.

**f. Capacity Assignment/Use Procedures – Comparability Determination**

If a Marketer demonstrates ownership of non-recallable, primary firm delivery and storage capacity under Dominion Transmission, Inc.'s (DTI's) rate schedule FTNN, FTNNGSS, and GSS by providing National Grid with an affidavit by the 25<sup>th</sup> of the month preceding the month of service, an assignment will not be made to that Marketer by National Grid. DTI must verify that the Marketer has all of the above, including no-notice capability.

Any Marketer not demonstrating ownership of non-recallable, primary firm delivery and storage capacity must take a mandatory assignment of National Grid's assigned DTI FTNN, FTNNGSS (Nov through Mar), and GSS and must participate in DTI's DPO/CSC Program.

Release of Capacity: DTI FTNN Capacity will be released by National Grid to Marketers participating in Monthly Balancing Service on behalf of customers in a prearranged capacity release transaction at maximum demand rates in accordance with DTI's tariff. The terms of each release will be at the Company's discretion, but not less than one month. The amount of capacity to be released will be equal to 45% of the pool's total peak day allocation (MPDQ x 45%). The releases will be made subject to recall.

All releases are recallable by National Grid when (1) a customer elects to change Marketers; (2) a Marketer fails to perform its obligations under PSC No. 219 Gas Tariff; (3) a Marketer ceases to meet the credit or security requirements outlined in Section 3, - Appendix A, Uniform Business Practices Case 98-M-1343; and (4) if the customer discontinues service.

**g. Nomination Procedures**

North American Energy Standards Board (NAESB) nomination procedures were implemented effective September 1, 2000.

- **Deadlines for Nominations**

- ✓ First-of-the-month nominations must be received by 7:00 p.m. E.S.T. one calendar day prior to the first of the month
- ✓ Regular nominations (nominations effective for 10:00 a.m. the following day) must be received by 7:00 p.m. E.S.T.
- ✓ Intra-day nominations (current day nominations) must be received by 10:00 p.m. E.S.T.

All nominations must be confirmed by the upstream pipelines and National Grid in order for the gas to flow. Electronic nominations via the website were implemented August 25, 2000.

All questions related to nominations should be referred to 315-428-5898.

All customers located west of and including the city of Amsterdam are considered to be behind National Grid meter #20500 (West). Customers located east of Amsterdam are considered to be behind National Grid meter #20550 (East). Gas nominated to meter #20500 or #20550 must be adequate to fulfill the needs of the Marketer's customers behind those meters.

Gas nominated on Dominion Pipeline for delivery to a National Grid meter must be entered on Dominion's ESCRIPT system as a 1Nom©. 1Nom© automatically transfers the information to National Grid's TSA system where it is confirmed. .

Gas nominated to National Grid must match gas nominated to the upstream pipelines. Failure to do so will result in National Grid's inability to confirm the Marketer's nomination with the upstream pipelines.

**h. Balancing: daily/monthly, tolerances, trading, and penalties**

Balancing is provided by the Marketers/Pool Operators, who have been assigned National Grid's storage capacity on DTI.

Monthly Balancing Services does not provide for trading of imbalances.

**i. Reconciliation/True-ups**

Actual usage will be true'd up to actual DCQs by billing cycle on a monthly basis. Cashouts will be determined using the average of the Gas Daily DTI North Point/Mid Point, plus DTI Fuel, plus DTI's Commodity Charge for each period for which the DCQ's were delivered. When the Gas Daily DTI North Point/Mid Point is not posted, the Gas Daily DTI South Point/Mid Point will be used.

**J. Standby Services**

Upon commencement of Monthly Balancing Service, sales service by National Grid will terminate and National Grid will have no further obligation to maintain the availability of gas supplies except for residential and human needs customers. Costs for residential and human needs customers for maintaining such supplies will be recovered through a Standby Charge.

Human needs customers are defined as residential, or related usage (residential hotels, prisons), or critical care accounts (nursing homes, hospitals, etc.). For Marketers' ease of administering to Human Needs Customers, the following list shows various Human Needs Customers by Standard Industrial Classification Code:

- An apartment or housing complex with a single meter (SIC 0020-0040 and 0050)
- Master metered mobile home park (SIC 0062)
  - A hot water or heat account for a residential complex with individual meters for each apartment, townhouse or condominium (SIC 6513)
- A rooming or boarding house (SIC 7021)
- An Office or Clinic for Medical Doctor(s) (SIC 8011)
- An Office or Clinic for Dentist(s) (SIC 8021)
- A skilled nursing care health facility (SIC 8051)
- An intermediate health care facility (SIC 8052)
- A nursing and personal care health facility (SIC 8059)
- A general medical and surgical hospital (SIC 8062)
- A psychiatric hospital (SIC 8063)
- A specialty hospital (SIC 8069)
- A kidney dialysis center (SIC 8092)
- A specialty outpatient clinic (SIC 8093)
- A correctional institution, such as a prison (SIC 9223)
- Residential Hotel

**k. Storage/Peaking Services**

If a Marketer demonstrates ownership of non-recallable, primary firm delivery and storage capacity under Dominion Transmission, Inc.'s (DTI's) rate schedule FTNN, FTNNGSS, and GSS by providing National Grid with an affidavit by the 25<sup>th</sup> of the month preceding the month of service, an assignment will not be made by National Grid. DTI must verify that the Marketer has all of the above, including no-notice capability.

Any Marketer not demonstrating ownership of non-recallable, primary firm delivery and storage capacity must take a mandatory assignment of National Grid's assigned DTI FTNN, FTNNGSS, and GSS and must participate in DTI's DPO/CSC Program.

**Release of GSS Storage**

National Grid's Storage Demand and Storage Capacity on DTI will be released to Marketers participating in Monthly Balancing Service on behalf of customers in a prearranged storage release transaction at Maximum Rates in accordance with DTI's tariff. The terms of each release will be at the Company's discretion, but not less than one month. The amount of GSS storage demand to be released will be equal to 55% of the pool's total peak day allocation (MPDQ x 55%). The storage capacity to be released will be equal to 55% of the pool's total MPDQ times 51.6 days. The releases will be made subject to recall. .

**Release of Storage Transportation**

National Grid's FTNNGSS Storage Capacity on DTI will be released to Marketers participating in Monthly Balancing Service in a prearranged storage release transaction at Maximum Rates in accordance with DTI's tariff for November through March. The terms of each release will be at the Company's discretion, but not less than one month. The releases will be made subject to recall. .

All releases are recallable by National Grid when (1) a customer elects to change Marketers; (2) a Marketer fails to perform its obligations under PSC No. 219 Gas Tariff; (3) a Marketer ceases to meet the credit or security requirements outlined in Section 3, - Appendix A, Uniform Business Practices Case 98-M-1343; and (4) if the customer discontinues service.

**Transfer of Storage Inventory for Customers Migrating from Sales after Sept 1, 2000**

National Grid will transfer storage inventory to each Marketer participating in Monthly Balancing Service on behalf of customers migrating from sales service. The storage capacity assigned to each Marketer is the MPDQ x 55% x 51.6 days.

Storage Inventory Transfer Schedule		
Apr 1	((New Enrollments from Sales Service-MPDQ) x 55%) x 51.6 days) x	0%
May 1	((New Enrollments from Sales Service-MPDQ) x 55%) x 51.6 days) x	14.3%
Jun 1	((New Enrollments from Sales Service-MPDQ) x 55%) x 51.6 days) x	28.6%
Jul 1	((New Enrollments from Sales Service-MPDQ) x 55%) x 51.6 days) x	42.9%
Aug 1	((New Enrollments from Sales Service-MPDQ) x 55%) x 51.6 days) x	57.1%
Sept 1	((New Enrollments from Sales Service-MPDQ) x 55%) x 51.6 days) x	71.4%
Oct 1	((New Enrollments from Sales Service-MPDQ) x 55%) x 51.6 days) x	85.7%
Nov 1	((New Enrollments from Sales Service-MPDQ) x 55%) x 51.6 days) x	100%
Dec 1	((New Enrollments from Sales Service-MPDQ) x 55%) x 51.6 days) x	90%
Jan 1	((New Enrollments from Sales Service-MPDQ) x 55%) x 51.6 days) x	66%
Feb 1	((New Enrollments from Sales Service-MPDQ) x 55%) x 51.6 days) x	42%
Mar 1	((New Enrollments from Sales Service-MPDQ) x 55%) x 51.6 days) x	18%

The Storage Gas Transfer Rate for customers migrating will be the sum of (1) National Grid's established average commodity cost of gas in storage, plus (2) the Demand Transfer Recovery Rate (DTR Rate). The Storage Gas Transfer Rate will be posted on the Company's website not less than three days before its effective date.

The DTR Rate will be equal to the System Average Unrecovered DTI Demand Charge revenue per therm beginning in the month of April through the initial month that storage capacity is released to the Marketer. The demand charges in this calculation include DTI FT, FTNNGSS, and GSS. The System Average Unrecovered DTI Demand Charge revenue shall equal the sum of the differences between the DTI Demand Charge revenue collected and the average DTI Fixed Demand costs incurred beginning the month of April through the initial month that storage capacity is released to the Marketer. The DTR Rate will be posted on the Company's website not less than three days before its effective date.

In the event a customer participating in Monthly Balancing Service switches from transportation service to sales service, storage inventory shall be returned to National Grid unless mutually agreed upon between the Company and the Marketer. The storage inventory amount will be calculated on the same basis as the storage transfer clause as referenced in Storage Transfer for Customers Migrating after September 1, 2000. The Company will pay the Marketer the average commodity cost of gas in National Grid's storage account as stated on the effective Storage Transfer Rate Statement.

In the event a customer participating in Monthly Balancing Service switches Marketers, storage inventory volumes shall be returned to National Grid by the previous Marketer, and in turn, the Company will transfer same storage inventory volume to the customer's new Marketer. The storage inventory amount will be calculated on the same basis as the storage transfer clause as referenced in Storage Transfer for Customers Migrating after September 1, 2000. The Company will pay the previous Marketer and receive from the

current Marketer the average commodity cost of gas in National Grid's storage account as stated on the effective Storage Transfer Rate Statement.

In the event the Marketer transfers insufficient storage volumes to National Grid, the Company will bill the Marketer the difference between the required amount and the amount actually transferred times the peak forecasted NYMEX price for the remainder of the winter (during November through March) or summer (April through October) months plus the effective demand cost of gas in accordance with Rule 17.3.4 of this rate schedule. The Marketer shall be responsible for all taxes and pipeline fees associated with moving or transferring the storage gas to National Grid.

**Minimum Storage Requirements**

Gas Marketers meet Minimum Storage Inventory Levels (MSIL) on released storage capacity upstream of National Grid's city gates or, if a Gas Marketer chooses, provide additional financial security, in the form of a Standby Letter of Credit prescribed by the Company or Advance Cash Deposit for the winter season in lieu of the MSIL as follows:

**(1) Marketer Chooses to Maintain Minimum Storage Inventory Levels (MSIL)**

Gas Marketers must meet MSIL on released storage capacity upstream of National Grid's city gates as follows:

October 1 through October 31	MSIL equals (Marketer MPDQ x 55% x 51.6 Days) x 65%
November 1 through January 31	MSIL equals (Marketer MPDQ x 55% x 51.6 Days) x 35%
February 1 through March 15	MSIL equals (Marketer MPDQ x 55% x 51.6 Days) x 15%

If at any time from October 1 through March 15, the Gas Marketer does not meet the Minimum Storage Inventory Levels set forth above, the Company will notify the Gas Marketer that it has ten (10) calendar days to cure the deficiency or provide financial security in accordance with item (2) below.

**(2) Marketer Chooses Not to Maintain Minimum Storage Inventory Levels (MSIL)**

Marketers will be required to post financial security in the form of a Standby Letter of Credit or Advance Cash Deposit for the duration of the winter season in an amount equal to the sum of Marketer's MPDQ times 55% times 51.6 days times the peak forecasted NYMEX price for the current winter month's plus the effective average demand cost of gas. All or any unused portion of the financial security with applicable interest will be returned to the marketer within 30 days of March 31<sup>st</sup>.

Gas Marketers will default to Option (1) and agree to authorize the Company to access their storage balance information on upstream storage operator(s) unless:

1. Marketer provides in writing by September 1 of each year that it chooses Option (2) and does not agree to authorize the Company to access Gas Marketers' storage balance information on upstream storage operator(s) and,
2. Marketer provides by October 1 of each year the required security in the form of a Standby Letter of Credit or Advance Cash Deposit.

If the Gas Marketer does not cure the storage deficiency or provide financial security within the ten (10) calendar day cure period the Company will, at its sole discretion, return the Gas Marketer's customers to sales service in accordance with Provision k of the Monthly Balancing Service section of this schedule. In the event the gas in storage is less than the volume required to be transferred back to the Company, the Company will send an invoice to the Marketer for the insufficient volume times the peak forecasted NYMEX price for the remainder of the winter months plus the effective demand cost of gas.

Information provided to National Grid regarding Minimum Storage Inventory levels ("Confidential Information") shall, for a period of one (1) year from the date of written disclosure, be held in confidence by National Grid and its representatives, attorneys and agents nor shall it be disclosed to others by National Grid without the prior written approval of the disclosing Gas Marketer. The above notwithstanding, Confidential Information may be disclosed by National Grid to (a) its officers, directors, employees and attorneys, as representatives of National Grid, who require knowledge thereof in connection with their duties in carrying out the aforesaid purpose of the minimum storage level tariff, and (b) to a judicial or regulatory body requiring its disclosure, provided that, prior to such disclosure, National Grid has notified the disclosing Gas Marketer of the requirement with an opportunity for the Gas Marketer to object or seek an appropriate protective order.

#### ***l. Meter Reading***

Customers in Monthly Balancing Service are not required to have an approved remote meter installed. SC1 and SC2 customers' meters are read on a cycle basis. SC7 and SC5 customers' meters are read on the first day of each month. (Exception: When the first of the month falls on a weekend or a holiday, SC7 and SC5 customers' meters will be read on the business day closest to the first day of the month.)

Customers taking service under SC12 and elects Monthly Balancing may have an Approved Remote Meter (ARM) installed at the Company's expense.

#### ***m. Summary of Applicable fees, charges and penalties***

Each customer in a Monthly Balancing pool will receive a transportation bill from National Grid that will include the following:

- Metered usage times the transportation rate
- Applicable surcharges and taxes
- Standby charge, if applicable

Each Marketer participating in Monthly Balancing Service will receive an invoice from National Grid for the following:

- Any penalty charges assessed to National Grid or gas supply costs incurred as a result of a DTI City Gate Swing Customer
- Storage Gas Transfer Rate (average commodity cost of gas in storage plus the DTR)
- Payment of storage inventory purchased by National Grid for customers returning to sales service, if applicable
- Cashouts for Monthly True-Ups
- Balancing Services Cost Recovery
- Applicable surcharges, taxes, and fees

## **5. Gas Delivery Management Procedures for Larger Commercial and Industrial Customers, Firm and Interruptible**

### **DAILY BALANCING SERVICE**

#### **a. Marketer/Direct Customer Eligibility**

##### **Marketer Eligibility**

Please refer to section 4 (a) of this document

#### **b. Pool Operators**

Please refer to section 4 (b) of this document

#### **c. Customer Eligibility**

Daily Balancing Service is available to customers served under Service Classification Nos. 5, 6, 7, 8, 12 and 9 (contracts with effective dates before June 1, 1996 will have to amend their existing service agreements in order to participate).

The Customer and the Customer's Marketer understand that if Daily Balancing Service is chosen, they must comply with the following conditions:

- Customer forfeits its ability to obtain future sales service under the Company's Tariff. Customer takes full responsibility and assumes all liability including, but not limited to, contingent liability for its decision to opt to participate in Daily Balancing.
- Customers served under Service Classification Nos. 5 & 7 classified as Human Needs must certify that they are 100% dual fueled or alternately certify that they maintain, or have continuous access to, five (5) winter months (November – March) of primary firm capacity from a liquid receipt point into the Company's east/west city gate, as applicable, sufficient to meet the customers Maximum Peak Day Quantity. See Appendices for Human Needs Form.
- Customers enrolled in Daily Balancing must have an Approved Remote Meter (ARM) installed and operational. See Appendices Section for procedures.
- Join a Marketer's pool, but may designate only one Marketer to serve an individual gas account.
- Act as a Direct Customer but may enter into a Pool Operator Agreement; the Pool Operator would be responsible for gas supply scheduling, balancing, and settlement activities in accordance with National Grid's requirements, including requirements described in Service Classification No. 11 of the Company's Tariff (see Appendices for Pool Operator Agreement).
- Authorize National Grid to provide Marketer/Pool Operator information on its National Grid billing history.

**d. Enrollment Procedures**

Please refer to Section 5, - Appendix A, Uniform Business Practices Case 98-M-1343

- A customer may only begin taking service from a Marketer on the scheduled meter read date. The customer may call in its meter read to National Grid's Customer Service Center or enter its read into the website at: <https://www.nationalgridus.com/niagaramohawk/youraccount/forms.aspx?Form=ViewYourAccount> or, under certain circumstances accept an estimated read.
- Enrollments shall be submitted no later than 15 calendar days prior to the month service is to commence. For a 31 day month, this will be on the 17<sup>th</sup> of the month; for a 30 day month, this will be on the 16<sup>th</sup> of the month; for a 29 day month, this will be on the 15<sup>th</sup> of the month; and for a 28 day month, this will be on the 14<sup>th</sup> of the month.

**Enrollment Procedures for Sales Customers Who Consume Over 50,000 Therms Annually**

Please refer to section 4 (d) of this document

**Direct Customers**

A customer who meets the eligibility requirements for a Direct Customer (see Customer Eligibility set forth in c. above) may become a Direct Customer by calling 315-428-5965. Any customer who is eligible to participate in Daily Balancing but is not enrolled by a Marketer will automatically become a Direct Customer in Daily Balancing.

**e. Delivery Quantity Determination Procedures**

It is the Marketers'/Direct Customers' responsibility to determine the delivery quantity. Deliveries for customers shall commence on the 1<sup>st</sup> of the month of the customer's regular meter reading date.

**f. Capacity Assignment/Use Procedures**

National Grid does not retain capacity for customers participating in Daily Balancing Service.

**g. Nomination Procedures**

For Nominations behind National Grid's East / West Gates and on DTI, please refer to section 4 (g) of this document.

Empire Pipeline - Gas nominated on Empire Pipeline must be adequate to fulfill the needs of the Marketer's customers that are located west of and including the city of Rome (Operating Center Numbers 11, 13, 14, 15, 16, 18, 20, 22, and 23; see Appendices for Operating Centers and Pipeline Eligibility table).

Tennessee Gas Pipeline (TGP) - Gas nominated on TGP must be adequate to fulfill the needs of the Marketer's customers that are eligible for Tennessee gas (see Appendices for Operating Centers and Pipeline Eligibility table for specific Towns and Cities that can be served by Tennessee).

**Iroquois Gas Pipeline** - Customers located in Boonville can only be served off Iroquois Gas Pipeline.

Gas nominated to National Grid must match gas nominated to the upstream pipelines. Failure to do so will result in National Grid's inability to confirm the Marketer's nomination with the upstream pipelines.

***h. Balancing: daily/monthly, tolerances, trading, and penalties***

Marketers and Direct Customers who participate in Daily Balancing Service under Service Classification No. 11 will be subject to a Monthly Balancing Charge of \$.024433 per therm of MPDQ for all customers contained within their Daily Balancing pool.

**Pooling Areas:** A Marketer may have one Daily Balancing pool for each pooling area. Pooling areas will be:

- East – Dominion Transmission, Inc. & Tennessee Pipelines
- West – Dominion Transmission, Inc., Empire State, and Iroquois Pipelines

Daily imbalances will be the combined result of the Marketer's nominations and customers' usage in each pooling area. An exception would be if there is an OFO in place in one of the pooling areas.

**Daily Tolerance:** The tolerance stated as a percent of city gate usage allowed before charges occur in the Company's daily cashout procedure.

The Storage Capacity Balances are those in effect on April 1<sup>st</sup> of each year. The Storage Capacity Balance will be equal to the Company's contracted Storage Capacity for those storage fields utilized for capacity release less any capacity released to marketers. If the Storage Capacity Balance is projected to drop below 10,000,000 Dt at any time during the year, tolerance levels will be renegotiated for both the November 1<sup>st</sup> to March 31<sup>st</sup> and April 1<sup>st</sup> to October 31<sup>st</sup> periods.

November 1 <sup>st</sup> – March 31 <sup>st</sup>	April 1 <sup>st</sup> – October 31 <sup>st</sup>	
+ or – 5%	<b>Storage Capacity Balance</b>	<b>Allowed Tolerance</b>
	Greater than or equal to 18,000,000 Dt	+ or – 10%
	Greater than or equal to 16,000,000 and less than 18,000,000 Dt	+ or – 8%
	Greater than or equal to 14,000,000 and less than 16,000,000 Dt	+ or – 7%
	Greater than or equal to 12,000,000 and less than 14,000,000 Dt	+ or – 6%
	Greater than or equal to 10,000,000 and less than 12,000,000 Dt	+ or – 5%

**Daily Cashout:** At the end of each day the All Pools Percent Imbalance will be calculated, i.e., total deliveries of all pools will be compared with total usage of all pools. If the absolute value of the All Pools Percent Imbalance is less than the then effective Daily Tolerance, there will be no daily cashout for any Daily Balancing Pool for that day.

If the absolute value of the All Pools Percent Imbalance is greater than the effective Imbalance Tolerance but the absolute value of the Marketer Percent Imbalance is less than the effective Imbalance Tolerance, that Marketer will not be cashed out.

However, if both the absolute value of the All Pools Percent Imbalance and the absolute value of the Marketer Percent Imbalance is greater than the effective Daily Tolerance, that Marketer will be cashed out for its Cashout Volume.

The Daily Cashout Schedule is as follows:

**For Under Deliveries:**

Percentage of City Gate Use	Charge Per Therm
0 to 5%	Gas Daily DTI North Point* plus fuel plus CNG FT variable and fixed charges
>5% to 10%	105% (Gas Daily DTI North Point* plus fuel) plus CNG FT variable and fixed charges
>10% to 15%	110% (Gas Daily DTI North Point* plus fuel) plus CNG FT variable and fixed charges
>15% to 20%	130% (Gas Daily DTI North Point* plus fuel) plus CNG FT variable and fixed charges
>20% to 50%	140% (Gas Daily DTI North Point* plus fuel) plus CNG FT variable and fixed charges
>50%	150% (Gas Daily DTI North Point* plus fuel) plus CNG FT variable and fixed charges

\* - When the Gas Daily DTI North Point/Mid Point is not posted, the Gas Daily DTI South Point/Mid Point will be used

**For Over Deliveries:**

Percentage of City Gate Use	Payment Per Therm
0 to 5%	Gas Daily DTI North Point*
>5% to 10%	95% Gas Daily DTI North Point*
>10% to 15%	90% Gas Daily DTI North Point*
>15% to 20%	70% Gas Daily DTI North Point*
>20% to 50%	60% Gas Daily DTI North Point*
>50%	50% Gas Daily DTI North Point*

\* - When the Gas Daily DTI North Point/Mid Point is not posted, the Gas Daily DTI South Point/Mid Point will be used

**Additional Charges:** If any Marketer is out of balance by more than fifty percent twice in any given month, an additional \$5/Dt penalty will be assessed for the Cashout Volume, if any, on the third occurrence and each occurrence thereafter in that month. For the first occurrence, the Company will issue a “Notice” via website message board. For the second occurrence, the Company will issue a “Warning” via website message board.

**Monthly Cashout:** The difference between the Cashout Volume and the Marketer Imbalance is the Remaining Imbalance for that day. Each pool’s Remaining Imbalance becomes a rolling imbalance for trading and cashout at month’s end.

The Remaining Imbalance for trading purposes will have a slight adjustment at the end of the month. Total usage will vary slightly because National Grid bills each customer at the monthly average of the daily BTU factors, and each daily usage volume is calculated at the daily BTU factor. National Grid will use the Total Billed Volume to calculate the Remaining Imbalance as follows:

**(Marketer Nomination-Sum of customers’ billed city gate usage) – Cashout Volume = Remaining Imbalance**

**Monthly Imbalance Trading:** Marketers may avoid monthly cashout charges by arranging with each other to trade offsetting monthly imbalances with other Marketers on the National Grid system. All imbalance trading is subject to final approval by the Company. National Grid will endeavor to make imbalance information available to Marketers by 5:00 p.m. on the fourth business day of each month. An imbalance trade may be effectuated by written/electronic notice by all affected parties to National Grid,

delivered prior to 5:00 p.m. on the seventh business day following the close of the month. The notice must include the names and authorized signatures of the trading parties and must specifically state which party is to be assessed cashout charges for any remaining net imbalance.

A Marketer may only trade its imbalance to a net result equaling zero, i.e., a Marketer cannot change its position from a positive imbalance to a negative imbalance as a result of imbalance trading.

***i. Reconciliation/True-ups***

**Monthly Cashout:** At the end of each month, an All Pools comparison of actual usage to deliveries will be calculated. The chart below indicates the applicable cashout rates for individual Marketers, depending on whether the All Pools imbalance is less or greater than a 2% tolerance. Each Marketer’s Remaining Imbalance will be cashed out at the applicable rates as stated below. When the Marketer’s Remaining Imbalance is an under delivery, the Marketer will be subject to an additional charge for all dekatherms of Remaining Imbalance at the effective DTI GSS withdrawal rate. When the Marketer’s Remaining Imbalance is an over delivery, the Marketer will be subject to an additional charge for all Dts of Remaining Imbalance at the effective DTI GSS injection rate.

**For Under Deliveries:**

<b>Monthly Imbalance Level</b>	<b>All Pools &lt;2% Imbalance</b>	<b>All Pools &gt;2% Imbalance</b>
0 to 2%	Gas Daily DTI North Point* Mid Point Average Plus DTI GSS withdrawal rate	Gas Daily DTI North Point* Mid Point Average Plus DTI GSS withdrawal rate
>2%	Gas Daily DTI North Point* Mid Point Average Plus DTI GSS withdrawal rate	120% of Gas Daily DTI North Point* Mid Point Average Plus DTI GSS withdrawal rate

\* - When the Gas Daily DTI North Point/Mid Point is not posted, the Gas Daily DTI South Point/Mid Point will be used

**For Over Deliveries:**

<b>Monthly Imbalance Level</b>	<b>All Pools &lt;2% Imbalance</b>	<b>All Pools &gt;2% Imbalance</b>
0 to 2%	Gas Daily DTI North Point* Mid Point Average Plus DTI GSS injection rate	Gas Daily DTI North Point* Mid Point Average Plus DTI GSS injection rate
>2%	Gas Daily DTI North Point* Mid Point Average Plus DTI GSS injection rate	80% of Gas Daily DTI North Point* Mid Point Average Plus DTI GSS injection rate

\* - When the Gas Daily DTI North Point/Mid Point is not posted, the Gas Daily DTI South Point/Mid Point will be used

***J. Standby Services***

Service Classification No. 8 customers elect a Daily Contract Demand (known as a “D-1” election) and may contract with the Company for Standby Sales Service up to their elected D-1 level. The D-1 level may be any quantity, including zero. The term of the Customer’s D-1 level will be one year and renewable on a year-to-year basis. The customer or its authorized agent (Customer’s Marketer) must place a pipeline nomination with the Company, not to exceed its elected D-1 level, in order to purchase Standby Sales Service.

Customers taking Standby Sales Service will pay a Daily Contract Demand Charge equal to the effective Daily Contract Demand Rate per Therm times the Customer’s Daily Elected Contract Demand in Therms. Customers’ Marketers will be billed the Commodity Cost of Gas equal to the Current Commodity Cost of Gas Rate multiplied by the monthly nominated Standby Quantity.

***k. Storage/Peaking Service***

Not applicable to Daily Balancing Service.

***l. Meter Reading***

All customers who choose Daily Balancing Service are required to have an Approved Remote Meter (ARM) installed at their expense by National Grid. National Grid will provide consumption data received from the ARM to Marketers and Direct Customers via the website. ARMs will read meters at 10:00 a.m., 1:00 p.m., and 4:00 p.m. (customers’ phone lines must be available from 10 a.m. to 11:00 a.m., from 1:00 p.m. to 2:00 p.m. and from 4:00 p.m. to 5:00 p.m.). This information will be posted to the website, and nominations may be adjusted accordingly.

***m. Summary of Applicable fees, charges and penalties***

Each customer participating in Daily Balancing Service will receive a transportation bill from National Grid that will include the following:

- Metered usage times the transportation rate
- SC8 D1 Demand Charge, if applicable
- Applicable surcharges and taxes

Each Marketer participating in Daily Balancing Service will receive an invoice from National Grid that will include the following:

- Daily Cashout charges, if applicable
- Monthly Cashout charges, if applicable after imbalance trading
- Penalty charge of \$5/Dt applied to the Marketer’s Daily Cashout Volume, if Marketer is out of balance by >50% on any given day
- Commodity Cost of Gas, if applicable
- Balancing Services Cost Recovery, if applicable
- Balancing Charge
- Operational Flow Order penalty charges, if any
- Applicable surcharges, taxes, and fees

## 6. Requirements of Pool Operations

### a. Provide a list of Marketer Contact Personnel

Each Marketer / Direct Customer shall provide an up-to-date name, address, e-mail address, fax and telephone number of its personnel responsible for gas deliveries (Primary and Secondary Nominator) and for responding to System Alerts and OFOs (Interruption Contact 1 & 2). In addition, as a matter of general communications, Marketers should also provide additional contacts such as:

- ✓ Enrollment Contact
- ✓ EDI Contact
- ✓ Retail sales contacts
- ✓ Billing contact
- ✓ Regulatory contact
- ✓ Credit contact
- ✓ Contract Contact
- ✓ Imbalance Trading
- ✓ Storage Inventory Transfer

National Grid's secure website allows each Marketer and Direct Customer to update contact personnel. It is the Marketer's and Direct Customer's responsibility to update the information on the Company's secure website:

- 1) Contacts can be added and edited on line by going to:  
[http://www.nationalgridus.com/niagaramohawk/energy\\_supplier/index.asp](http://www.nationalgridus.com/niagaramohawk/energy_supplier/index.asp)
- 2) Click on "Energy Supplier Login" and enter your user ID and password.
- 3) Click on "*Transportation Services Applications*" under the Natural Gas Program
- 4) Under the "*Contact Information*" you will be able to add and edit contact information.

National Grid will conduct, at least twice a year, a test of communication procedures to verify e-mail and telephone contact numbers.

## 7. Communications Protocols

### a. Need for open lines between Marketers and LDCs

#### Communication Protocol

Each LDC shall develop, with input from market participants, a communication protocol. The objective of this protocol is to enhance communications among LDCs, Pipelines, Marketers, and Direct Customers bringing gas to the LDC's city gate. Well-developed communications will reduce errors and will provide all entities with the information necessary to properly fulfill their responsibilities. Underlying the protocol is the recognition that as increasing numbers of customers opt for transportation service, the traditional bilateral communication between LDCs and customers increasingly becomes a communication loop including LDCs, Pipelines, Marketers, and Direct Customers.

Communication should be two way, with numerous ways of communicating and in a manner that is clear and understandable. Each party must accept the responsibility for clarifying and understanding the messages being exchanged.

Communication should be consistent within an organization and to the extent practical consistent over time.

Communication among the LDC, Marketers, and Direct Customers can occur on a regular basis (daily, monthly, seasonally), and on an as-needed basis (clarifications, alerts, operational flow orders, etc.). Different ways of communicating (telephone, fax, internet website, e-mail, mail, and face-to-face meetings) can be utilized depending upon the circumstances and the message, which must be conveyed. The method and number of communications utilized should be responsive to the evolving needs of all market participants as the industry changes.

### **The Role of the LDC**

All Market participants must understand that the LDC has the obligation to maintain the reliable operation of the gas distribution system.

During periods of normal operation, the LDC will work with Marketers and Direct Customers to provide efficient service to customers and to coordinate the flow of information on a multitude of issues including the nomination and confirmation process among Pipelines, Marketers, Direct Customers, and the LDC. This communication process is essential in assuring the uninterrupted flow of gas.

During critical periods, the role of the LDC becomes more demanding and includes the decision as to whether to issue System Alerts (SAs), or Operational Flow Orders (OFOs) to protect the integrity and the reliability of the gas system. In more extreme cases, the LDC may have to institute curtailment procedures to protect service to core customers.

All parties shall at all times be treated evenhandedly. No long or short-term benefit shall be conferred to a party that is not available on an equal basis to others that are similarly situated. As the restructured natural gas industry evolves, LDCs will continue to be responsive to the needs of market participants. As the market evolves and the proportion of customers that arrange their gas supplies increases, either on their own or by relying on Marketers, LDC procedures need to be responsive. Reliable delivery of gas will also require communication from Marketers, Direct Customers, and Pipelines.

To insure the reliable delivery of gas to all customers in a seamless manner, the LDC should communicate with all market participants so that parties can exchange information.

**b. National Grid's Website**

To assure the delivery of gas to the LDC's city gate each day, operational information needs to be communicated. Marketers and Direct Customers must have computer internet access and the LDC, Marketers, and Direct Customers should exchange, via the LDC's website, the information needed to properly schedule gas deliveries. This includes where applicable:

- Forecasted Daily Contract Quantities (DCQs)
- Actual DCQs
- Daily imbalances and daily cashouts
- Monthly imbalances for trading and month-end cashouts
- Maximum Peak Day Quantities
- Customer consumption
- System Alerts
- Operational Flow Orders

All of this information is located on National Grid's *Transportation Services Applications* on the Energy Market Center Secure Web page.

**c. Semi-annual "Reliability Forums"**

There was general agreement in the Capacity Requirements Group in the Reliability Collaborative that a reliability forum should be established as a vehicle for ongoing communications among LDCs, Marketers, Pipelines and others. These reliability forums would meet at least twice a year (pre-and-post winter) and address expected market requirements and supplies to meet those requirements. The Company will participate in those forums.

**d. EDI or Other Means of Transferring Information**

Please refer to Section 2, Paragraph B (2) - Appendix A, Uniform Business Practices Case 98-M-1343

National Grid currently uses EDI, the website, e-mail, fax, telephone, and meetings to transfer information to others.

For more information regarding EDI, contact Donna Mimas @ 315-428-5965

**e. Other regular meetings/teleconferences**

**Regular Meetings**

There should be regular meetings among the LDC, Marketers and Direct Customers (e.g., prior to the heating season, after the heating season, and at other times as conditions may require). The meetings are intended to address issues of concern to the LDC, as system operator, and Marketers and Direct Customers, as gas suppliers. To facilitate this, it is anticipated that the party hosting the meeting will seek input from other parties in formulating an agenda.

**Conference Calls**

As Marketers bring a greater proportion of gas and capacity to the Company's system, regular communication among personnel will increase since each will need to rely on the other to effectively and reliably serve retail gas customers.

In order to foster improved lines of communication, it is recommended that each LDC set up an operational conference call on a regular basis that would be open to participation by all Marketers and Direct Customers operating on its system. The LDC would determine the frequency of the calls and it is expected that the frequency of calls would increase during the winter heating season. The cost of such calls shall be shared by the participants.

## **8. Operational Flow Orders (OFO)**

### **a. Critical Periods**

A Critical Period is a period of disruption to the physical integrity of the system or a force majeure event. A Critical Day exists when the Company declares an OFO. To improve all parties' understanding of roles during Critical Periods and to test communication procedures, National Grid will conduct an annual critical day simulation exercise. National Grid will determine the timing of this exercise.

### **b. System Alerts**

System Alerts (SAs) are announcements of actual or pending events that, if unchecked, may result in an OFO being issued. The SA advises Marketers/Direct Customers what actions are requested and what actions may be mandated if the voluntary response is not adequate. SAs may be directed to specific Marketers/Direct Customers, subject to the Company's obligation not to unduly discriminate, or to all Marketers/Direct Customers operating on the system. Marketers/Direct Customers are expected to respond to SAs as soon as practical, giving notice to the Company of their intended actions.

The Company is not obligated to issue a SA before an OFO, but will endeavor to do so and will be required to document why it was not able to do so.

SAs are posted on National Grid's Website, as well as e-mailed to all Marketers and Direct Customers affected by the SA. Copies of such notifications will be sent to any concerned and relevant parties including but not limited to the NYS DPS.

### **c. Operational Flow Orders**

An OFO is an action taken by the Company to alleviate particular conditions which threaten the physical integrity of its system or to prevent a short-term curtailment and is issued at the sole discretion of the Company. OFOs are instituted when other actions have not eliminated reliability concerns.

Other channels of communication are available for mitigating economic disparities. In maintaining system integrity, the Company shall first try to correct any problem through other options available to it.

During any period in which the Company's ability to accommodate imbalances is restricted or impaired, National Grid may impose a Forced Balancing Operational Flow Order (OFO).

It is impossible to detail all the conditions under which the Company may find it necessary to initiate an OFO. The following rules and procedures apply to OFOs and OFO notifications:

1. OFOs are posted on National Grid's website, as well as e-mailed to all Marketers/Direct Customers affected by the OFO.
2. Upon notice that an OFO will be issued, and for the duration of the OFO, the Company must make authorized personnel available on a 24-hours-a-day, 7 days-a-week basis to handle the submission and processing of evening cycle and intra-day nominations to facilitate the Marketers'/Direct Customers' response to the OFO.
3. The OFO notice shall meet minimum time requirements to designated Marketer/Direct Customer personnel and shall provide as much advance notice as possible. The date and time of issuance, date and time the OFO takes effect, and the estimated duration shall be included in the OFO notice.
4. The OFO notice should communicate clearly to designated Marketer/Direct Customer personnel the actions required, as well as the reason for the required actions, and provide periodic updates to enable parties to continue their planning functions.
5. Actions required by the OFO should be limited both in duration and scope to meet the required objective.
6. The required actions should be as localized as possible.
7. The OFO shall not be used to simultaneously restrict overdeliveries and underdeliveries
8. The OFO should be applied on a nondiscriminatory basis to all similarly situated parties.
9. The Company shall respond to reasonable requests for information by parties within a reasonable time after the OFO event.
10. Economic considerations shall not be a basis for declaring an OFO.
11. The Company shall notify the Director of the Office of Gas and Water of the Department of Public Service as well as any concerned and relevant parties when an OFO is declared and when the situation returns to normal.
12. Except in circumstances where an immediate response is needed, the Company will notify Marketers/Direct Customers at least 24-hours in advance of an OFO taking effect. When an OFO is preceded by a SA, the 24-hour notice begins with the issuance of the SA; however, there should be a minimum of 8-hours notice when a SA is changed to an OFO. The estimated duration will be included in the OFO notice. If the OFO is extended, National Grid will notify Marketers/Direct Customers of the extension upon eight (8) hours advance notice.
13. When an OFO is imposed for underdeliveries, usage by customers for whom a Marketer is providing Pooled Balancing Service must not exceed deliveries by more than 2% to 50%. When an OFO is imposed for overdeliveries, a Marketer's deliveries must not exceed usage by customers for whom the Marketer is providing Pooled Balancing Service by more than 2% to 50%. The OFO will specify the percentage requirement for over and under deliveries.
14. Marketers/Direct Customers will be assessed a penalty equal to the current effective rate per DT per day for imbalances that exceed the OFO limit in accordance with Rule 3.3.1 of the Company's Gas PSC No. 219 Tariff. Rule 3.3.1 states (in part) .....non-utility suppliers or delivery only customers will be subject to the incremental cost of gas, plus an additional charge equal to the greater of \$25.00 per

DT or 125% of the highest per DT cost of gas purchased in the Company's gas supply portfolio during the calendar month of unauthorized usage.

15. Nominations will be accepted in accordance with the GISB nomination schedule.

Failure of the Company to adhere to one or more of the above guidelines is not a basis for Marketers or Direct Customers not to comply with requirements of the OFO, but may provide the basis for a complaint to the Commission regarding the Company's behavior.

Some of the actions required by an OFO may include:

- Require Marketers to deliver gas to a specific point.
- Require Marketers to balance daily or to deliver a specified quantity of gas.
- Change daily nominations for customer groups being served with a flat monthly nomination.

If during an OFO period the Company is aware of Marketers/Direct Customers that are not responding to the required actions, it should make all reasonable efforts to inform the non-responding Marketers/Direct Customers that required actions are not being taken. Lack of such notice shall not relieve any Marketer/Direct Customer of its obligations.

The Marketer, if necessary, should communicate with its customers to secure compliance with the conditions of a Company directed OFO. If the Marketer is aware of noncompliance of one or more of its customers, it shall notify the Company of the name(s), address and account number(s) of the end user(s). During an OFO the application of penalties should be constructed so as not to penalize Marketers/Direct Customers whose imbalances work to benefit the integrity of the gas system.

At the next meeting of the Company, Marketers, and Direct Customers, there should be a review of any OFOs that may have been declared by the Company. However, any party that has a grievance concerning the necessity for, or individual treatment during, an OFO, may address those concerns immediately with the LDC. If after such discussions the party still is dissatisfied, it may bring its concerns to the attention of the staff of the Department of Public Service and, if necessary, to the Commission.

## **9. Curtailment**

### **a. Marketer Curtailment Plans**

In accordance with the NY Public Service Commission's Proceeding on Long Term Curtailment Plans in Case No. 93-G-0932, National Grid will request that each Marketer enter their curtailment plan on the Company's secure website for each upcoming winter season. The request will be sent to each Marketer participating in Daily Balancing Service on October 1<sup>st</sup> and the plans will be due by November 1<sup>st</sup>. Marketers are asked to update curtailment plans as required.

The Commission's Order states, "We do not believe the Commission or the LDC should be making decisions with respect to redirection of gas among suppliers or to establish curtailment priorities for gas the LDC does not own. . . . The supplier of the gas must advise the LDC, as the distributor of the gas, what actions to take with respect to curtailment. . . . Each non-utility supplier must provide to the utility a plan for curtailment for its customers."

## **10. National Grid Customer Interruption Requirements**

### **a. Alternative Fuel Source Requirements**

Customers receiving gas service from National Grid under S.C. Nos. 4, 6, 9, or 14, and have an alternative fuel source of Fuel Oil No. 2, diesel, or kerosene will be required to meet the criteria specified under Rule 3 of Tariff.

Customers receiving gas service from National Grid under S.C. Nos. 4, 6, 9, or 14, and provide gas service to Human Needs customers (as defined in PSC Tariff No. 219) will be required to meet the criteria specified under Rule 3 of Tariff.

Customers receiving gas service from National Grid under S.C. Nos. 4, 6, 9, or 14 will be required to complete and return to the Company within 14 days National Grid's Alternative Fuel Source Verification form (see Appendices for Alternate Fuel Source Verification form). The customer shall indicate their alternative fuel source, whether they serve Human Needs customers, and provide their facility's total combined estimated load (natural gas and other alternative fuels) in therms. Failure to return the National Grid Alternative Fuel Source Verification Form shall result in the Company classifying the customer as utilizing Fuel Oil #2 as the primary alternative fuel source and being eligible for Rule 3 of the Tariff. The Customer, if requested by National Grid, shall be prepared to provide documentation acceptable to the Company validating their selection of alternative fuel source.

### **b. Verification of Adequate Alternative Fuel Sources**

Customers determined to be eligible for Rule 3 of the Tariff will be required to complete National Grid Alternative Fuel Source Requirements Form and return to the Company within 14 days, but no later than October 15<sup>th</sup> of the current winter heating season.

The Customer's completion of National Grid's Alternative Fuel Source Requirements Form will indicate that the Customer has:

- prior to November 1 of the current winter season, filled their available on-site alternative fuel source storage to the National Grid determined alternative fuel source requirement value and/or entered into a relationship with an alternative fuel source supplier to supply the difference between the Customer's on-site alternative fuel source storage capacity and the National Grid determined alternative fuel source requirement value. This relationship entered into between the Customer and Alternative Fuel Source Supplier shall not rely upon spot market purchases to satisfy the Customer's alternative fuel source requirements value,
- Elected to curtail their facility's operation during a requested interruption. A curtailment shall mean zero gas consumption recorded on the Customer's meter for the applicable interruptible load and the Customer agrees to not switch to the facility's primary alternative fuel source during the interruption, or

- Elected to fill their On-Site Alternative Fuel Source Storage Capacity and curtail their facility's operations during an interruption. A curtailment shall mean zero gas consumption recorded on the Customer's meter for the applicable interruptible load and the Customer agrees to only utilize the available on-site alternative fuel source in operating their facility during the duration of their interruption. The Customer must assume that the duration of interruption would be for the maximum allowed number of days (10 days for SC-4 and SC-6 customers, and 5 days for SC-9 & SC-14 customers), and agree that they would not go out to the spot market for replenishment of the alternative fuel source during the interruption.

The Customer, if requested by National Grid, should be prepared to provide documentation to substantiate the On-Site Alternative Fuel Source Storage Capacity, the filling of the On-Site Storage Capacity prior to November 1<sup>st</sup> of each year, and the potential relationship with an Alternative Fuel Source Provider as specified in Rule 3 of the Tariff. Examples of documentation that might substantiate that the above requirements have been satisfied are included below. National Grid Mohawk will also accept other forms of Customer specific documentation that will also substantiate that the above requirements have been satisfied.

**Examples of Customer Specific Documentation:**

- Trade documentation regarding the capacity of the On-Site Alternative Fuel Source Storage facility;
- Invoice(s) documenting that the On-Site Alternative Fuel Source Storage Capacity has been filled prior to November 1 of the current winter heating season either to,
  - a) capacity if the on-site storage capacity is less than the Required Number of Gallons of Alternative Fuel Source indicated on the National Grid Alternative Fuel Source Requirements Form sent to the customer, or
  - b) The Required Number of Gallons of Alternative Fuel Source indicated on the National Grid Alternative Fuel Source Requirements Form sent to the customer.
- A letter from the Customer's Alternative Fuel Source Provider indicating that arrangements have been made between the Customer and Alternative Fuel Source Provider, prior to November 1 of the current winter season, to supply the difference between the On-Site Alternative Fuel Source Storage Capacity and the Required Number of Gallons of Alternative Fuel Source indicated on the National Grid Alternative Fuel Source Requirements form sent to the customer. The Customer should be able to provide, if requested by the Company, documentation that established this relationship.
- An Affidavit from an Officer of the Customer stating that they have satisfied the requirements specified on the National Grid Alternative Fuel Source Requirements form. These key points identified on the Affidavit would include:

- 1) the on-site storage capacity,
- 2) the filling of the storage capacity prior to November 1 of the current winter heating season, and
- 3) Entering into a relationship with an alternative fuel source supplier for any differences between the On-site Storage capacity and the National Grid Required Alternative Fuel Source Requirements. The difference cannot be purchased at spot market.

**c. *National Grid On-Site Inspection of Interruptible Customers with Alternative Fuel Sources***

- **Mandatory Inspections**

National Grid will conduct on-site inspections of Customers with interruptible service who:

- 1) meet the eligibility requirements specified in Rule 3 of the Tariff, and
- 2) Did not come into compliance with the Alternative Fuel Source Requirements specified in Rule 3 of the Tariff during the previous winter season from the point in time when National Grid identified that the Customer did not reduce their facility's gas usage to zero.

- **Random Inspections**

National Grid will inspect all customers eligible for a random on-site inspection whom meet the eligibility requirements specified in Rule 3 of the Tariff. National Grid's current policy is that all customers eligible for a random on-site inspection will be inspected annually. The Company reserves the right to change the criteria regarding the number of random on-site inspections conducted annually. Variables that may influence a change in policy regarding random on-site inspection criteria include National Grid resource availability and the population of eligible customers for random on-site inspections. Said changes on policy regarding random on-site inspections will be published within this document.

The customers eligible for a random on-site inspection will include:

- 1) Customers who indicated on the Alternative Fuel Source Requirements form that they have sufficient capacity and/or have entered into a relationship to supply the difference between on-site capacity and the National Grid determined storage requirement prior to November 1 of the current winter heating season, and
- 2) Customers who indicated on the Alternative Fuel Source Requirements form that they have elected, prior to November 1 of the current winter heating season, to fill their on-site alternative fuel source storage capacity and curtail their facility's operations during an interruption. A curtailment shall mean zero gas consumption recorded on the Customer's meter for the applicable interruptible load and the Customer agrees to only utilize the available on-site alternative fuel source in operating their facility during the duration of their interruption, and agrees that they would not go out to the spot market for replenishment of the alternative fuel source during the interruption.

- **Inspection Procedures**  
National Grid will not commence the inspection of Customer facilities eligible for either a mandatory or random inspection prior to November 15<sup>th</sup> of the current winter heating season. A customer chosen for random on-site inspection will be notified 14 days prior to the Company conducting the random on-site inspection.

A customer chosen for a mandatory or random inspection shall be requested to provide the Energy Consultant with copies of written documentation that confirms that the Customer has satisfied the criteria outlined in Rule 3 of the Tariff; i.e.,

- 1) the capacity of the on-site alternative fuel source storage,
- 2) Confirmation that on-site alternative fuel source storage capacity was filled and/or that a relationship exists with an alternative fuel source supplier to provide the difference between the filled storage capacity and the alternative fuel source value provided by the customer at the beginning of the current winter heating season.

Section 10.b above provides examples of documentation that may satisfy these requirements.

**d. *National Grid On-Site Inspection of Eligible Interruptible Customers who Did Not Reduce to Zero the Interruptible Portion of Their Gas Service When Requested to Interrupt During the Winter Season or Who Did Not Return to National Grid the Alternative Fuel Source Requirements Form***

Should an eligible interruptible customer, as defined in Rule 3 of the Tariff, (a) not reduce to zero the interruptible portion of their gas service when requested during the winter season, or (b) not return to National Grid the Alternative Fuel Source Requirements Form:

- 1) National Grid shall notify the Customer that they have not returned the Alternative Fuel Source Requirements Form and they will be subject to the penalties associated with the failure to maintain alternative fuel sources, as well as any other applicable penalties, or
- 2) National Grid shall notify the customer that they have not reduced to zero the interruptible portion of their gas service and they may be subject to the penalties associated with the failure to maintain alternative fuel sources depending upon their ability to provide proof that they have met the alternative fuel source requirements as specified in Rule 3 of the Tariff, as well as any other applicable penalties, or
- 3) National Grid shall inform the Customer that the applicable alternative fuel source penalties will continue to be assessed to the Customer through the winter season until the Customer comes into compliance with the alternative fuel source requirements.

A Customer's compliance with the alternative fuel source requirement shall consist of the Customer providing the Company with copies of written

documentation that confirms that storage was filled and/or that a relationship exists with an alternative fuel source supplier to provide the difference between the filled storage capacity and the alternative fuel source value provided by the customer at the beginning of the winter season.

**e. *National Grid Determination of Alternative Fuel Source Requirements***

Customers enrolled in Service Classification Nos. 9 or 14, where applicable, shall be required to have 5 days of alternative fuel source based on their MPDQ.

Customers enrolled in Service Classification No. 4 or 6 shall be required to have 10 days of alternative fuel source. The alternative fuel source requirement shall be computed by determining the Customer's average monthly gas usage in therms for the winter period November through March based on the prior three (3) winter seasons. If three years of data is not available, a shorter period of time may be used. This average monthly consumption will then be divided by 30 and then multiplied by 10 days. The resulting therms will then be converted to gallons by dividing by the appropriate conversion factor. If no Customer history exists, the estimated winter seasons' gas usage in therms provided by the customer will be utilized.

The Customer would have the opportunity to contest the alternative fuel source calculation by providing documentation to National Grid within 10 days of receipt of letter as to why they believe the alternative fuel source requirement should be less. National Grid will have 5 days to respond to the Customer, and National Grid shall have the sole authority to accept or reject the Customer's request for an alternative fuel source value.

**f. *Customer's Replenishment of Alternative Fuel Source Requirements***

A Customer would:

- 1) not be required to replenish their alternative fuel source requirement value as determined by National Grid, and
- 2) not be subject to the penalties defined in Rule 3 of the Tariff,

Once the Customer has initially depleted their National Grid assigned amount of Alternative Fuel Source Requirements resulting from National Grid ordered interruptions of gas service.

A Customer would be subject to the provisions of Rule 3 of the Tariff, including the penalties, if a Customer depletes, on a voluntary basis, their Alternative Fuel Source Requirements and does not replenish their alternative fuel source to the National Grid determined Alternative Fuel Source Requirements value.

**Appendices**

**a. Forms**

**SupplierSelect Form 1**  
**Application for Authorization to Act as a Marketer**

Applicant hereby request authorization from National Grid (the Company) to offer aggregation services under Service Classification No. 11 - Load Aggregation, as set forth in the Company's gas tariff, P.S.C. No. 219, GAS.

Applicant Name \_\_\_\_\_

Mailing Address \_\_\_\_\_

Billing Address \_\_\_\_\_

Contact Person \_\_\_\_\_

Telephone \_\_\_\_\_ Fax \_\_\_\_\_ E-mail Address \_\_\_\_\_

Dun & Bradstreet No \_\_\_\_\_

Applicant elects the following options: **(Please Check All Applicable)**

- Daily Balancing Service
- Monthly Balancing Service
- Residential Service
- Non-Residential Service

- National Grid will issue the bill on behalf of the Applicant (One-Bill Option)
- The Applicant will issue a separate bill for gas supply service only. National Grid will issue the bill for transmission and delivery service. (Two-Bill Option)

I, \_\_\_\_\_, \_\_\_\_\_, am authorized to state that  
(Name) (Title)

Applicant has read, understands and agrees to abide by all provisions of Service Classification No. 11 applicable to the services to be provided.

Applicant represents and warrants that he/she is in, and will continue to be in, full compliance with the following requirements applicable to residential customers:

1. Contracts between the marketers and customers must contain specific language advising customers of protections that have been waived in the transaction. Each marketer must file with Staff from the Consumer Services Division of the Public Service Commission a copy of its standard contract.
2. A system to handle customer complaints is operational and that the P.S.C. help and hotline numbers are provided to customers.
3. The bills rendered will be clear and in plain language and Staff from the Public Service Commission's Consumer Services Division shall receive a sample copy.
4. Procedures are in place to insure customers receive adequate prior notice of termination of gas supply services. The procedures must provide that notifications be sent at least 15 days before discontinuation of supply service to allow customers the opportunity to pay the overdue bill or request service from another provider.

Applicant represents and warrants that he/she is in, and will continue to be in, full compliance with the following requirements applicable to non-residential customers:

1. Contracts between the marketers and customers must contain specific language advising customers of protections that have been waived in the transaction. Each marketer will file with Staff from the Consumer Services Division of the Public Services Commission a copy of its standard contract.
2. A reasonable dispute resolution process is established. Until such time as a process is developed and put into effect, and for a period of no longer than six months, consumers will be allowed to approach the Consumer Services Division of the Public Service Commission for resolution of disputes.

.....  
Date Signature

Applicable to Monthly Balancing Service Only:

This Agreement is in furtherance of participation by \_\_\_\_\_ (hereinafter designated "Marketer") and National Grid (hereinafter "the Company") to permit Marketer to participate in the Company's **SupplierSelect** Program in conjunction with Dominion Transmission Inc.'s ("DTI") Delivery Point Operator (DPO)/Citygate Swing Customer (CSC) Program ("Program") and Marketer's agreement participating in such Program. By execution of this Agreement, Marketer agrees that they will have executed a Citygate Swing Customer Agreement with DTI prior to enrolling any customers in the Company's Monthly Balancing program. The parties to this Agreement recognize that Marketer's participation in Dominion Transmission Inc.'s Program is essential to the successful participation in NMPC's Monthly Balancing Program.

- Marketer agrees to abide by the terms and conditions set forth in Service Classification No. 11 of the Company's PSC No. 219 Gas Tariff.
- In the event that the Company recalls the capacity and storage, Marketer agrees hereby that the recall is not reputable (i.e., that the Company is recalling such capacity but it is not returning the same release to the Marketer).
- The term of this Agreement shall be one (1) year from the date of execution and shall survive month to month thereafter unless sooner terminated by either party; provided, however, if Marketer's **SupplierSelect** or Monthly Balancing agreements terminates with the Company or DTI, respectively, this agreement shall automatically terminate at the same time.
- Either party may terminate this Agreement upon thirty (30) days written notice to the other for any reason whatsoever.
- Check either 1 or 2:
  - \_\_\_\_ 1. Marketer hereby authorizes DTI to provide the Company information relating to Marketer's Storage Gas Balance(s) under contract(s) covering capacity released by the Company to support Marketer's participation in the CSC program. DTI may provide information via DTI's EBB or via paper fax.
  - \_\_\_\_ 2. **Marketer does not authorize the Company access to its DTI Storage Gas Balance.** If this option is selected, the Marketer further agrees to provide additional credit as described in the Company's PSC No. 219 Gas Tariff, Minimum Storage Requirements.

Marketer may change the selection above by submitting a revised Form 1 to the Company by September 1 of each year.

If these terms and conditions are acceptable to the Marketer, please indicate your agreement to those terms by executing the acceptance below.

\_\_\_\_\_  
Date Signature

cc: Dominion Transmission Inc. (DTI)

## Pool Operator Agreement for the *SupplierSelect* Program

National Grid ("the Company") will permit a Marketer/Direct Customer to enter into a business arrangement with another eligible Marketer or other qualified entity that will act as a Pool Operator on behalf of one or more Marketer(s)/Direct Customer(s) serving retail customers in the Company's *SupplierSelect* Program.

By submitting this Form \_\_\_\_\_ (Marketer/Direct Customer) hereby notifies the Company that it has appointed \_\_\_\_\_ to act as its Pool Operator in scheduling gas supply deliveries to serve its retail customers in accordance with the Company's Tariff, P.S.C. No. 219.

The Marketer's/Direct Customer's utilization of the Pool Operator, and the Pool Operator's right to act on behalf of the Marketer/Direct Customer, is subject to the following terms and conditions:

- The Pool Operator shall be deemed to be acting on behalf of the Marketer/Direct Customer with respect to gas supply scheduling for the duration of its appointment. The Pool Operator is responsible for the performance of all of the Marketer's/Direct Customer's gas supply scheduling, balancing and settlement activities in accordance with the requirements of the Company, including those requirements described in Service Classification No. 11 of the Company's Tariff. Please choose applicable Balancing Program(s):

\_\_\_\_\_ Daily Balancing Service

\_\_\_\_\_ Monthly Balancing Service

- For Monthly Balancing Service, in the event that the Company recalls the capacity and storage, the Marketer and its Pool Operator agrees hereby that the recall is not reputable (i.e., that the Company is recalling such capacity but it is not returning the same release to the Marketer).
- The term of this Agreement shall be one (1) year from the date of execution and shall survive month to month thereafter unless sooner terminated by either party. If Marketer's *SupplierSelect* or Monthly Balancing agreements terminate with the Company or DTI, respectively, this agreement shall automatically terminate at the same time.
- Either party may terminate this Agreement upon thirty (30) days written notice to the other for any reason whatsoever.
- The Pool Operator shall submit separate schedules for each Marketer/Direct Customer upon whose behalf it is scheduling, including a separate schedule for itself if it is serving customers in the Company's *SupplierSelect* Program. These schedules will form the basis for the calculation of imbalance charges for each entity under the responsibility of the Pool Operator. Imbalances and charges shall be calculated individually for each Marketer/Direct Customer on the basis of these schedules. Payment of these imbalance charges remains the responsibility of each Marketer/Direct Customer as described below.

**Pool Operator Agreement for the *SupplierSelect* Program (Con't)**

- The Marketer/Direct Customer may authorize the Company to submit bills to the Pool Operator for balancing and settlements for all gas supply deliveries scheduled with the Company on the Marketer's/Direct Customer's behalf. Payments from the Marketer/Direct Customer are due within 20 days from the issuance of the bill. The Marketer/Direct Customer shall retain ultimate payment responsibility for such billings, including late payment charges as applicable.

\_\_\_\_\_ Bill Pool Operator - Billing Address: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_ Bill Marketer/Direct Customer

- All actions of the Pool Operator related to Marketer's/Direct Customer's participation in the Company's *SupplierSelect* Program are absolutely binding on, and attributable to, such Marketer/Direct Customer. The Marketer/Direct Customer is fully liable to the Company for all acts and omissions of the Pool Operator, including failures to comply with the requirements set forth in this Form. The Marketer/Direct Customer shall indemnify, defend and hold harmless the Company from and against any and all claims, losses, damages, as described in the Tariff, that are directly or indirectly caused by, or arise out of, or are in any way connected with the Pool Operator's acts or omissions, whether such claims, losses, and damages are incurred by the Company or by third parties.
- The Company has the right to suspend or terminate the permission granted in this Form, at any time, without any recourse by the Marketer/Direct Customer, in the event the Pool Operator fails to abide by these terms and conditions. Marketer/Direct Customer and the Pool Operator understand and agree that any disputes related to the activities of the Pool Operator are outside the scope of any dispute resolution provisions in the Company's Tariff or in the State of New York Public Service Commission's Orders in connection with NYS Uniform Business Practices.

For MARKETER/DIRECT CUSTOMER:

For POOL OPERATOR:

Name of Firm \_\_\_\_\_

Name of Firm \_\_\_\_\_

Name \_\_\_\_\_

Name \_\_\_\_\_

Signature \_\_\_\_\_

Signature \_\_\_\_\_

Title \_\_\_\_\_

Title \_\_\_\_\_

Date \_\_\_\_\_

Date \_\_\_\_\_

**SupplierSelect Form 2 – For Enrollments/Switches under non-EDI Standards**

- 1. Application for enrollment of customers in Load Aggregation Transportation Service
- 2. Application to Change Marketer for all Customers

**Marketer Name:** \_\_\_\_\_

ASSIGNMENT OF MARKETER INFORMATION

National Grid Account No: \_\_\_\_\_

Customer Name: \_\_\_\_\_

Service provided to customer will be (check applicable):  
\_\_\_\_\_ Monthly Balancing \_\_\_\_\_ Daily Balancing

Service will commence on the first day of:  
Month: \_\_\_\_\_ Year: \_\_\_\_\_

Do you want up to 24 months of Customer usage history provided to you? (Please Check One) \_\_\_ Yes \_\_\_ No  
If yes, please send information to the following:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

I hereby certify that the customer noted has designated the Marketer recorded above as their energy service company to provide energy services, which may include procurement of gas. I also certify that customer agrees that any entity that succeeds by purchase, merger, consolidation or spin-off to the properties, substantially as an entirety, of Marketer may continue to provide the service indicated above for the term specified unless and until Customer chooses to change its designation of Marketer in accordance with all applicable procedures and provisions of such Service Classification No. 11. In addition, I certify that the customer has authorized said Marketer to designate the customer's human needs status.

As the customer's designated Marketer, I agree to abide by all the terms and conditions as set forth in applicable provisions of Service Classification No. 11 as set forth in the P.S.C. 219 Gas Tariff. I accept the responsibility to provide documentation that indicates that the customer has selected our firm to supply gas commodity service.

CUSTOMER ENROLLMENT INFORMATION (SC1 & SC2 ONLY):

Human Needs (For SC2 Only):

Human needs customers are defined as residential, or related usage (residential hotels, prisons), or critical care accounts (nursing homes, hospitals, etc.). See Rule 3.2.1 in Company's gas tariff, P.S.C. No. 219, for further definition. Under the provisions of the Home Energy Fair Practices Act (HEFPA), to the extent that residential and human needs customers are curtailed by their supplier, they continue to retain the right to return to the Company as the supplier of last resort.

Marketer hereby certifies that the customer qualifies as Human Needs (check applicable):  
Yes \_\_\_ No \_\_\_

RATES

The Marketer hereby certifies that the customer agrees to observe and perform all of the rules and regulations of the company and to pay the rates and charges provided by Service Classification 1 \_\_\_\_\_ or 2 \_\_\_\_\_ (check applicable), P.S.C. No. 219 for the delivery of gas including any changes resulting from the Human Needs status designated above. Marketer also certifies that customer agrees to pay such rates and charges contained in the Company's gas tariff, P.S.C. No. 219 Gas, filed with the Public Service Commission of the State of New York as the same may be from time to time changed, amended and/or supplemented.

The Marketer agrees that all upstream capacity and/or storage releases to the Marketer on behalf of the undersigned customer are subject to recall in accordance with P.S.C. No. 219 Tariff provisions.

MARKETER REPRESENTATIVE NAME: \_\_\_\_\_

MARKETER REPRESENTATIVE TITLE: \_\_\_\_\_

**SupplierSelect Form 3**  
Application to "Drop" Customer – under non-EDI Standards

**MARKETER NAME:** \_\_\_\_\_

**CUSTOMER INFORMATION:**

National Grid Account No.: \_\_\_\_\_

Customer Name: \_\_\_\_\_

Marketer hereby certifies that the Customer noted has been notified, in writing, of this termination of service not later than the 15 days prior to the 1<sup>st</sup> of the month in which service is to be discontinued.

**We request that the customer noted be taken off our list of active gas supply customers.**

**Marketer Name:** \_\_\_\_\_

**Marketer Title:** \_\_\_\_\_

**AGREEMENT APPLICATION FOR THE TRANSPORTATION OF CUSTOMER-OWNED GAS FORM 'T'**

Date \_\_\_\_\_, 20\_\_\_\_

The Undersigned, (hereafter called "Customer") hereby applies to Niagara Mohawk Power Corporation d/b/a National Grid (hereafter called "Company") for gas transportation service. The Customer agrees to supply customer-owned gas to the Company at any mutually agreeable interconnect on the Company's gas distribution system. The Company agrees to deliver, after an adjustment for losses as stated in Rule 17.1 of P.S.C. No. 219 Gas Tariff, an amount of \_\_\_\_\_ (not less than 50,000), therms per year of customer-owned gas to the Customer's premises located at \_\_\_\_\_ commencing \_\_\_\_\_ (date).

The Customer agrees that if the premises are to be served from a main extension constructed or to be constructed pursuant to Rule 10 of the General Information contained in the Company's schedule for Gas Service, P.S.C. No. 219 Gas Tariff, the Customer will pay the charges and/or surcharges required under said rule. The Customer's contribution/annual surcharge for the excess portion of the main extension is \$\_\_\_\_\_.

**Deliveries:**

The customer agrees to supply to the Company the above annual amount of gas. The Company agrees to deliver on a \_\_\_\_\_ (firm or interruptible) basis this amount after an adjustment for losses as stated in Rule 17.1 of the Tariff.

**Term:**

This agreement will be continued from year to year and thereafter until changed unless terminated by advance written notice of either party to the other.

**Rates:**

Customer agrees to observe and perform all of the rules and regulations of the Company and to pay the rates and charges provided in P.S.C. No. 219 for the transportation of customer-owned gas. Customer agrees to pay such rates and charges contained in the Company's gas tariff, P.S.C. No. 219 Gas, filed with the Public Service Commission of the State of New York as the same may be from time to time changed, amended and/or supplemented.

- \_\_\_\_\_ SC7 – Firm Transportation Service
- \_\_\_\_\_ SC5 – Firm Transportation Service
- \_\_\_\_\_ SC8 – Firm Transportation Service with Standby Sales Service
- \_\_\_\_\_ \_\_\_\_\_ Daily Elected Contract Demand (D1 Election - Dts per day)
- \_\_\_\_\_ SC6 – Interruptible Transportation Service – Choose Term of Rate:  
\_\_\_\_\_ Monthly \_\_\_\_\_ Annually
- \_\_\_\_\_ SC12 – Distributed Generation

**Human Needs:**

Human Needs customers are defined as residential, or related usage (residential hotels, prisons), or critical care accounts (nursing homes, hospitals, etc.). See Rule 3.2.1 in Company's gas tariff, P.S.C. No. 219, for further definition. Under the provisions of the Home Energy Fair Practices Act (HEFPA), to the extent that residential and human needs customers are curtailed by their supplier, they continue to retain the right to return to the Company as the supplier of last resort.

Customer hereby certifies that they qualify as Human Needs (check applicable):

Yes \_\_\_\_\_ No \_\_\_\_\_

**AGREEMENT APPLICATION FOR THE TRANSPORTATION OF CUSTOMER-OWNED GAS  
FORM "T" (continued)**

**Balancing Services:**

\_\_\_\_\_ **DAILY BALANCING** – Customers taking transportation service under SC7, SC5, SC8, and SC6 are eligible for this Balancing Service. The Customer understands that if this Balancing Service is chosen, they must comply with the following conditions:

1. Customer forfeits its ability to obtain future sales service under the Company's Tariff. Customer takes full responsibility and assumes all liability including, but not limited to, contingent liability for its decision to execute this contract, and opt to participate in Daily Balancing.
2. Customers served under Service Classification Nos. 5 & 7 classified as Human Needs must certify that they are 100% dual fueled or alternately certify that they maintain, or have continuous access to, five (5) winter months (November – March) of primary firm capacity from a liquid receipt point into the Company's east/west city gate, as applicable, sufficient to meet the customers Maximum Peak Day Quantity.
3. Customers enrolled in Daily Balancing must have an Approved Remote Meter (ARM) installed and operational.

\_\_\_\_\_ **MONTHLY BALANCING** – Customers taking transportation service under SC7 and SC5 are eligible for this Balancing Service. The Customer understands that if this Balancing Service is chosen, they must comply with the following conditions:

1. Customers choosing this Balancing Service retain the right to return to Sales Service.
2. Customers participating in this Balancing Service will designate a supplier/marketer. That marketer/supplier will be responsible for accepting any and all upstream capacity and/or storage that the Company has held for this customer while under sales service.

Niagara Mohawk Power Corporation d/b/a National Grid

**CUSTOMER:**

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

\_\_\_\_\_  
Customer Name

\_\_\_\_\_  
Federal Tax ID Number

\_\_\_\_\_  
National Grid Billing Account Number

\_\_\_\_\_  
Signature by Customer's Duly Authorized Representative

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date

**Affidavit for *SupplierSelect* Program**

A Marketer supplying gas to Monthly Balanced Aggregation customers, who elects to take no assignment of DTI capacity, storage, and storage capacity, must complete the following affidavit, which must be signed by a duly authorized officer of the Marketer's company and must be notarized.

---

AFFIDAVIT OF FIRM TRANSPORTATION (FT), STORAGE (GSS), AND STORAGE CAPACITY (FTNGSS)

STATE OF \_\_\_\_\_  
COUNTY OF \_\_\_\_\_

\_\_\_\_\_, being duly sworn, says: I am \_\_\_\_\_ of  
Name Title of Officer  
\_\_\_\_\_, the  
Company Name of Marketer

Applicant-above named, on behalf of which I have subscribed the foregoing application and know the contents thereof and the same is true to the best of my knowledge. I further attest to one of the following:

- I. As a Marketer for a National Grid (the Company) Monthly Balancing Aggregation pool who elects no assignment of DTI capacity, storage, and storage capacity, there is in place one or more executed contract(s) for all of the following:

\_\_\_\_\_ Non-recallable, primary firm capacity on DTI Transmission delivered into the Company's system for the term \_\_\_\_\_, through \_\_\_\_\_ for a daily quantity equal to 45% of the Aggregator's Maximum Peak Day Quantity (MPDQ) issued by the Company. The contract number for DTI deliveries into the Company's City Gate is \_\_\_\_\_;

\_\_\_\_\_ Non-recallable, GSS demand and capacity on DTI Transmission for the of term \_\_\_\_\_, through \_\_\_\_\_ for a daily demand quantity equal to 55% of the Aggregator's Maximum Peak Day Quantity and GSS capacity equal to GSS demand x 51.6 days issued by the Company. The contract number for DTI deliveries into the Company's City Gate is \_\_\_\_\_;

\_\_\_\_\_ Non-recallable, FTNGSS firm capacity on DTI Transmission delivered into the Company's system for the term 11/1/20\_\_\_\_, through 3/31/20\_\_\_\_ for a daily quantity equal to 55% of the Aggregator's Maximum Peak Day Quantity (MPDQ) issued by the Company. The contract number for DTI deliveries into the Company's City Gate is \_\_\_\_\_.

If all of the above requirements are not met, DTI capacity (FT), storage (GSS), and storage capacity (FTNGSS) will be released to the customer's Marketer.

This Affidavit covers the period \_\_\_\_\_, through \_\_\_\_\_, unless the Marketer's MPDQ changes during that time period. If the MPDQ increases, this Affidavit must be renewed. The Marketer's MPDQ, which is delivered to the Marketer on a monthly basis, is equal to \_\_\_\_\_.

\_\_\_\_\_  
Officer's Signature

Sworn to before me this \_\_\_\_\_ day  
of \_\_\_\_\_, 20\_\_\_\_

\_\_\_\_\_  
Notary Public

## Operating Centers and Pipeline Eligibility

WEST	OPERATING CENTER	EAST	OPERATING CENTER
Syracuse	11 (Empire Gas Pipeline)	Albany	30
Watertown	13 (Empire Gas Pipeline)	Troy	31
Fulton / Volney	14 (Empire Gas Pipeline)	Schenectady	32
Oswego	15 (Empire Gas Pipeline)	Hudson	33
Pulaski	16 (Empire Gas Pipeline)	Glens Falls	38
Utica	17	Saratoga	39
Rome	18 (Empire Gas Pipeline)	Warrensburg	40
Herkimer	19		
Oneida	20 (Empire Gas Pipeline)		
Carthage	22 (Empire Gas Pipeline)		
Lowville	23 (Empire Gas Pipeline)		
Amsterdam	34		
Gloversville	35		
Canajoharie	36		

<b>TENNESSEE GAS PIPELINE</b>
Locations that can be served by TGP
City of Albany
City of Rensselaer
Town of Bethlehem
Town of Brunswick
Town of Coeymans
Town of Cohoes
Town of Colonie
Town of East Greenbush
Town of Green Island
Town of Guilderland
Town of Menands
Town of New Scotland
Ton of North Greenbush
Town of Selkirk
Town of Troy
Town of Waterford
Town of Watervliet

This above list includes most of the customers in Operating Centers 30 and 31; however, this does not include all customers in those Centers. If you have any questions as to whether or not a customer can be served off Tennessee Pipeline, please contact Kathy Gosson at 315-428-5898 or Dennis Bartlett at 315-428-5850.

<b>IROQUOIS GAS PIPELINE</b>
Town of Boonville only

## Alternative Fuel Source Verification



### Alternative Fuel Source Verification

National Grid (the Company), as a condition of PSC Tariff No. 219, General Information Rule No. 3, requires interruptible sales or transportation customers to identify (a) your facility's primary alternative fuel source that would allow you to operate your facility in the event that the Company was required to interrupt sales or transportation service to your facility and (b) your facility's total combined estimated load in therms. You are requested to complete the required data fields identified below. The customer's failure to return this form back to the Company by October 1<sup>st</sup> will result in the Company classifying the customer as utilizing Fuel Oil#2 as the primary alternative fuel source. Please return or fax this form to the address identified below:

National Grid  
Ms. Marcia Collier, Manager Gas Rates  
300 Erie Boulevard West, B-1,  
Syracuse, New York 13202.  
Fax: 315.428.5799.

#### Required Data to be completed by the Customer

<b>Customer Name:</b>						
<b>Customer Facility:</b>						
<b>Address (Street / PO Box)</b>						
<b>State / Zip code</b>						
<b>Indicate the Alternative Fuel Source (Please place an "X" in the appropriate ballot box):</b>  <table><tr><td><input type="checkbox"/> Fuel Oil No. 2</td><td><input type="checkbox"/> Fuel Oil No. 4</td><td><input type="checkbox"/> Fuel Oil No. 6</td></tr><tr><td><input type="checkbox"/> Diesel</td><td><input type="checkbox"/> Propane</td><td><input type="checkbox"/> Kerosene</td></tr></table> <b>Other (Please Specify):</b> _____	<input type="checkbox"/> Fuel Oil No. 2	<input type="checkbox"/> Fuel Oil No. 4	<input type="checkbox"/> Fuel Oil No. 6	<input type="checkbox"/> Diesel	<input type="checkbox"/> Propane	<input type="checkbox"/> Kerosene
<input type="checkbox"/> Fuel Oil No. 2	<input type="checkbox"/> Fuel Oil No. 4	<input type="checkbox"/> Fuel Oil No. 6				
<input type="checkbox"/> Diesel	<input type="checkbox"/> Propane	<input type="checkbox"/> Kerosene				
<b>Indicate the facility's total combined annual estimate load (natural gas and other alternative fuels) in therms:</b>  <table><tr><td><input type="checkbox"/> 0 to 3,000,000 therms</td><td><input type="checkbox"/> 3,000,000 to 12,000,000 therms</td></tr><tr><td><input type="checkbox"/> 12,000,000 to 20,000,000 therms</td><td><input type="checkbox"/> Greater than 20,000,000 therms</td></tr></table>	<input type="checkbox"/> 0 to 3,000,000 therms	<input type="checkbox"/> 3,000,000 to 12,000,000 therms	<input type="checkbox"/> 12,000,000 to 20,000,000 therms	<input type="checkbox"/> Greater than 20,000,000 therms		
<input type="checkbox"/> 0 to 3,000,000 therms	<input type="checkbox"/> 3,000,000 to 12,000,000 therms					
<input type="checkbox"/> 12,000,000 to 20,000,000 therms	<input type="checkbox"/> Greater than 20,000,000 therms					

The customer, if requested by the Company, shall be prepared to provide documentation acceptable to the Company validating their selection of alternative fuel source.

<b>Customer Name and Title:</b>
<b>Customer Signature:</b>
<b>Date:</b>

Alternative Fuel Source Requirements



Alternative Fuel Source Requirements

National Grid (the Company) has determined that your facility identified below meets the Alternative Fuel Source requirements outlined in PSC Tariff No. 219, Rule No. 3.4. You are requested to complete the required fields below. Failure to return this form back to the Company by October 15<sup>th</sup> will subject your facility to the penalty provisions identified within Rule 3.4. Please return or fax this form to: National Grid, Marcia Collier, Manager Gas Rates, 300 Erie Boulevard West, B-1, Syracuse, New York 13202. Fax: 315.428.5799.

Customer Facility Name:
Customer Facility Address:

**National Grid Assigned Alternative Fuel Source Storage Capacity Requirements**

The Company has assigned below your facility's alternative fuel source storage capacity requirements. Your facility has the opportunity to contest the alternative fuel source calculation, as defined in Rule 3 of PSC Tariff No. 219, Alternative Fuel Source Requirements, by providing documentation to your National Grid Energy Consultant, within 10 days of receipt of letter, as to why they believe the alternative fuel source requirement should be changed. The Company will have 5 days to respond to the customer, and the Company shall have the sole authority to accept or reject the Customers request for an alternative fuel source value.

Required number of gallons of alternate fuel source

<b>Gallons</b>
----------------

**REQUIRED DATA TO BE COMPLETED BY CUSTOMER**

Customer's total capacity (in Gallons) for on-site alternative fuel source storage capacity

<b>Gallons</b>
----------------

**Customer Verification of Alternative Fuel Source Requirements:** (place an "X" in the appropriate ballot box):

**Option A:** I certify that my facility, prior to November 1 of the current winter heating season, has sufficient alternative fuel source storage capacity and/or has entered into a relationship with an alternative fuel source provider to supply the difference between on-site storage capacity and the Company's determined alternative fuel source requirements specified above and as defined in Rule 3 of the Tariff. If requested by the Company I shall provide documentation to substantiate the storage capacity and/or relationship with an alternative fuel source provider as defined in Rule 3 of the Tariff.

**Option B:** I elect, prior to November 1 of the current winter heating season, to curtail my facility's operations when requested rather than be subject to the requirements outlined in rule 3.4. Failure to comply completely with an interruption request will subject the customer to penalty charges outlined in Rule 3.4.4. Curtailment of a Customer's operation shall be defined to mean that zero gas consumption is recorded on the Customer's meter for the applicable interruption period. For Customers with both interruptible and firm loads, curtailment of the Customer's operations shall be defined to mean that zero gas is consumed for the interruptible portion of the Customer's load. The Customer must accomplish this zero gas consumption for the duration of the interruption period by curtailing the operation of its facility rather than switching to its primary alternative fuel source.

**Option C:** I certify that my facility's available alternative fuel storage capacity is less than the required alternative fuel storage capacity at full operational levels and I elect, prior to November 1 of the current winter heating season, that I will curtail my facility's operations to a reduced level to the degree necessary to supplement its primary alternative fuel source so that it can completely interrupt gas consumption for 10 full days (or 5 full days for customers taking transportation service under SC-9 or SC-14) rather than be subject to the requirements outlined in the Rule 3.4. Failure to comply completely with an interruption request will subject the customer to penalty charges outlined in Rule 3.4.4. Curtailment of a Customer's operation shall be defined to mean that zero gas consumption is recorded on the Customer's meter for the applicable interruption period. The Customer must accomplish this zero gas consumption for the duration of the interruption period by reducing/curtailing the operation of its facility for the portion of their requirements that exceeds the Customer's available alternative fuel source storage capacity rather than switch to its primary alternative fuel source.

Customer Name:	Customer Title:
Customer Signature:	Date:

**b. Remote Metering**

**What does an “Approved Remote Meter (ARM)” do?**

1. An ARM measures and records the quantity of gas used by a customer.
2. The NYS Public Service Commission has approved an ARM for billing purposes.
3. An ARM calls National Grid using a 1-800 phone number.
4. An ARM is capable of reporting gas usage data to customers or customer's Gas Marketers via National Grid's website.
5. An ARM requires appropriate telephone service:
  - a) ARM's installed for customers with historic or anticipated peak hourly gas usage in excess of 15 Dths must be served by a separate, dedicated phone line unshared with any other user.
  - b) All other ARM's may share telephone lines, provided that the shared line is open for data collection between the hours of 10:00 am and 11:00 am, 1pm and 2pm, 4pm and 5pm, daily.
  - c) Reliable access to daily usage must be provided to National Grid. If it is not provided, a dedicated phone line will be required or a dedicated customer-owned cell phone acceptable to National Grid may be used. In areas where reliable cell phones service is not available, as determined at the sole discretion of National Grid, a dedicated telephone line will be required.

**Eligibility**

All customers who choose Daily Balancing will be required to have an ARM installed by National Grid. The customer's National Grid Representative should contact Meter & Test in order to get the ARM and the Telephone Line Station Protector

**INSTALLATION OF APPROVED REMOTE METER  
AUTHORIZATION FORM**

**To Be Completed By Customer:**

Customer Name: \_\_\_\_\_

Mailing Address: \_\_\_\_\_

\_\_\_\_\_

Address Where Remote Metering will be installed: \_\_\_\_\_

\_\_\_\_\_

National Grid Billing Account Number: \_\_\_\_\_

Telephone: \_\_\_\_\_

Fax: \_\_\_\_\_

Customer hereby authorizes National Grid (the Company) to install an Approved Remote Meter at customer's facility meeting the requirements of P.S.C. No. 219 Gas tariff as filed with the NYS Public Service Commission.

1. Customer agrees to assume all of the responsibilities for installation and maintenance provided on Attachment 1.
2. The installation required at Customer's facility as outlined by the Company for which customer agrees to pay to the Company \$900, the total cost associated with the Approved Remote Metering installation. Customer will be invoiced for this installation. Customer is responsible for telephone service to the unit, as well as replacement cost of remote metering if it is not covered under the warranty. Customer is also responsible for the cost of replacing or repairing the unit in the event that it is vandalized.

\_\_\_\_\_  
DATE

\_\_\_\_\_  
Authorized Customer Signature

By \_\_\_\_\_  
Accepted: National Grid

## **REMOTE METERING - INSTALLATIONS AND MAINTENANCE ATTACHMENT 1**

### **A. Customer Responsibilities**

1. Customer agrees to:
  - a) Identify a specific individual who will meet with a National Grid (NG or Company) Representative to identify the location for the remote metering unit. and be available to the NG technical Installer on site to resolve any installation questions.
  - b) Install electric service, if required.
  - c) Install analog signal telephone service to the remote meter as follows:
    - Customers with historic or anticipated peak hourly gas usage in excess of 15 Dths must serve the remote metering by a separate, dedicated phone line.
    - All other remote meters may share telephone lines, provided that the shared line is open for polling of the meter between 10:00 am and 11:00 am, 1pm and 2pm, 4pm and 5pm, daily.
    - Customer will install a telephone line station protector supplied by NG.
  - d) Inform the Company when electric (if required) & telephone service is installed and telephone line is activated.
  - e) When the Company is notified that the telephone and electric service (if necessary) has been installed and activated, the Company will go on site in order to activate the unit. If it is discovered by the Company that the unit is unable to be activated and synchronized because the phone or electric service (if applicable) is not activated, the Company reserves the right to charge the customer an additional \$115.00 for each site visit after the first visit.
2. Customer agrees to pay the following costs:
  - a) Installation costs, including cost of equipment, installation labor, and synchronization of the equipment with the Company's gas load management computer system.
  - b) Cost to provide electric service, if required.
  - c) Cost to provide telephone service.
3. Agreement to maintenance & replacement terms associated with the remote metering installation, including:
  - a) After equipment warranty period of one year, the cost of replacement of a remote-metering unit due to inoperable or unreliable service is the customer's responsibility. NG will acquire and own the equipment and perform repairs and maintenance.
  - b) Within 24 hours of being notified, the customer must arrange and pay for repair of the telephone or electric service to the unit. If the Customer has notified the Company that the phone service or electric service (if applicable) is operational, the Company will send a technician to the site to repair the unit. If it is discovered by the Company that the unit is unable to be repaired or synchronized because the phone or electric service (if applicable) is not activated, the Company reserves the right to charge the customer an additional \$115.00 for each site visit after the first visit.

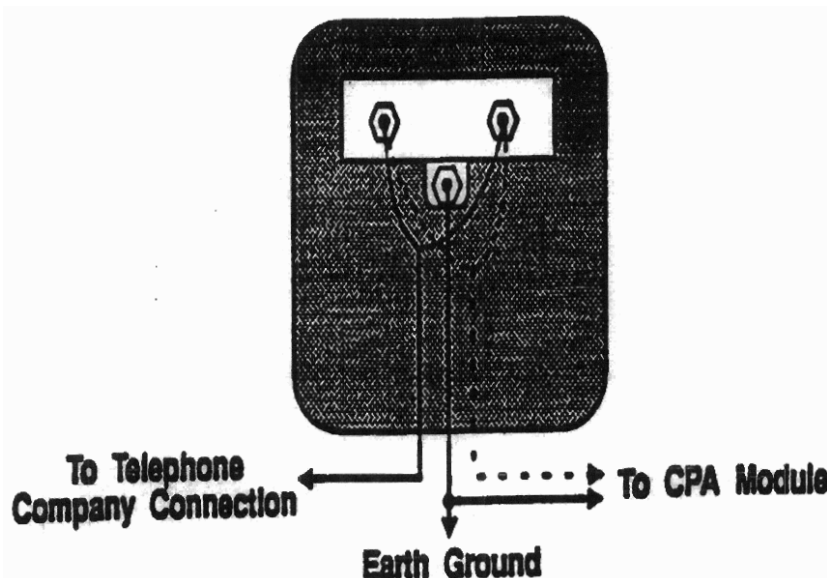
### **B. National Grid Responsibilities**

1. Determine if the customer is applying for a service or program that requires a remote metering installation:
  - a) Inform customer of requirements for installation as stated in Section A and any associated considerations specific to that customer.
  - b) Provide customer w/ handout outlining installation specifications and customer/company responsibilities.
  - c) Arrange site visit to meet with customer to identify equipment location, designate phone, and power (if required) and remote metering locations.
  - d) Identify any required meter modification in order to install remote metering equipment.
  - e) Provide customer with advance statement of the total cost for the installation.
  - f) Obtain customer approval by executing Authorization Form for Installation of ARM.
  - g) Acquire and own the remote metering equipment.
  - h) Provide customer with installation schedule once customer has installed telephone & electric service.
  - i) Install the remote metering and synchronize the meter with NG's gas load management computer system.
2. Once remote metering equipment is installed, perform routine maintenance on the equipment, including:
  - a) Notify customer if phone or electric service is out of service; remind customer that repairs must be completed in agreed upon timeframe.
  - b) Replace unit, if necessary. If replacement of the unit is required, advise & bill customer for replacement.
  - c) Offer daily load information gathered by ARM to the customer via NG's website.

# CUSTOMER INSTALLATION Of the TELEPHONE LINE STATION PROTECTOR

Install the Telephone Line Station Protector by following the steps below:

1. Mount the TII Telephone Station Protector in a suitable location. Wiring of the protector



2. Connect one end of the 12 AWG earth ground wire to the center terminal on the TII Protector.
3. Connect the other end of the earth ground wire to the grounding electrode system in conformance with the national and local code regulations. Refer to NEC Article 250 – Grounding in order to effectively ground the protector (See definition below).
4. Connect the red and green wires from the telephone cable respectively to the left and right screw terminals.

**Effectively Ground:** Intentionally connect to earth through a ground connection or connections of sufficiently low impedance and having sufficient current carrying capacity to prevent the buildup of voltages that may result in undue hazards to connected equipment or persons.

### c. Base and Thermal Methodology

**Base and Thermal Methodology** - The calculation of the Annual values set forth below may differ slightly from the values calculated by the Company due to timing.

1. Enter the most current usage available.
2. Enter the HDD values for the months corresponding with the usage entered. The monthly HDD values are updated each month and can be found on the website.
3. HDD = difference between 65 (average temp for use of heat) and the average temperature for the day, unless the average temperature is > 65, then HDD = 0.
4. Forecasted DCQ = (Forecasted HDD X (Thermal Response X Monthly Thermal Adjustment Factor)) + daily baseload.
5. Actual DCQ = (Actual HDD X (Thermal Response X Monthly Thermal Adjustment Factor)) + daily baseload.

Month	Usage – Dths	HDD	ANNUAL CALCULATIONS – Values in Dths							
Jan-07	1,045	1150	Baseload	1,139.00	=Sum of the lowest 2 months between Jun & Sep					
Feb-07	980	1269	Daily Baseload	18.672	=Baseload / # of days in the 2 lowest months					
Mar-07	1,096	1002	Annual Baseload	6,815.33	=Product of the Daily Baseload X 365 days					
Apr-06	788	488	Total Load	9,551.00	=Total annual load					
May-06	715	238	Thermal Load	2,735.67	=Total load - Annual Baseload					
Jun-06	569	59	Thermal Response	0.430	=Total Thermal Load / total annual HDD					
Jul-06	654	0	MPDQ	50.93	=Thermal Response X 75 HDD + daily baseload					
Aug-06	570	19	DTI FT	22.918	=MPDQ X 45%					
Sep-06	666	141	GSS Storage Demand	28.011	=Difference between the MPDQ and DTI FT					
Oct-06	761	500	<b>Monthly Thermal Response Adjustment Factors</b>							
Nov-06	771	617	January	100%	April	85%	July	0%	October	85%
Dec-06	936	879	February	100%	May	50%	August	0%	November	100%
<b>Totals</b>	<b>9,551</b>	<b>6,361</b>	March	100%	June	25%	September	40%	December	100%

**Negative Thermal Response Calculation** - If the Base & Thermal Calculation calculates a negative thermal response, the Annual Values will default to the calculation below.

1. Enter the most current usage available.
2. The Annual Values will be calculated twice per year as stated in the calculations below.
3. Forecasted and Actual DCQ = Daily Baseload.

Month	Usage	SUMMER CALCULATIONS (April through October)		
Jan	788	Daily Baseload	41.032	= MPDQ X 75%
Feb	253	Thermal Response	0.000	= ZERO
Mar	344	MPDQ	54.710	=Peak usage from Apr thru Oct / 31 Days
Apr	292	DTI FT	41.032	= MPDQ X 75%
May	141	GSS Storage Demand	0.000	= ZERO
Jun	917			
Jul	983	<b>WINTER CALCULATIONS (November through March)</b>		
Aug	1,696	Daily Baseload	21.968	= MPDQ X 75%
Sep	875	Thermal Response	0.000	= ZERO
Oct	1,358	MPDQ	29.290	=Peak usage from Nov thru Mar / 31 Days
Nov	908	DTI FT	21.968	= MPDQ X 75%
Dec	745	GSS Storage Demand	0.000	= ZERO
<b>Totals</b>	<b>9,300</b>			

**d. Glossary of Terms**

**“Actual Daily Contract Quantity”** – Based on historic usage patterns and actual weather, the actual DCQ will be issued the day following the delivery of the forecasted DCQ.

**“Aggregator”** – A non-utility entity that aggregates customers (including Direct Customers) for the purpose of obtaining natural gas supply for those customers. It does not sell natural gas supply to those customers.

**“Aggregated Group”** - A group of customers who have contracted with a specific Marketer who combines the customers’ load for purposes of nominations, scheduling, reconciliation of monthly imbalances and supplemental supply billing (Equivalent to a Marketer Pool).

**“Annual Period”** - The 12 Months beginning with the month in which the customer first receives service under the applicable Service Classification and each succeeding 12-month period.

**“ARM”** – Approved Remote Meter.

**“Balancing”** - A process that reconciles actual customer use with the amount of natural gas delivered to the LDC city gate. The difference between these two is called an imbalance.

**“Base and Thermal Methodology”** – Daily Baseload equals the customer’s average daily usage in the two months of lowest daily usage during the period of June through September. Annual Baseload equals Daily Baseload multiplied by 365. Thermal usage equals total usage during the twelve-month period minus Annual Baseload. Degree Day Usage equals Thermal Usage divided by the total number of degree days during the twelve-month period. The Maximum Peak Day Quantity equals the product of Degree Day Usage multiplied by 75 plus Daily Baseload.

**“Baseload”** – As applied to gas, the portion of a customer’s or group of customers’ load that does not vary seasonally or in response to variation in temperature.

**“BCF”** - Billion cubic feet.

**“British Thermal Unit (BTU)”** - The quantity of heat required to raise one pound of water (about one pint) one degree Fahrenheit at or near its point of maximum density. It is common in the natural gas industry to use the general/average value of 1034 BTUs = 1 Cubic Foot.

**“Carbon Monoxide (CO)”** - A poisonous, combustible gas formed by incomplete combustion of carbon, or reduction of carbon dioxide.

**“City Gate”** - The point of interconnection between a pipeline and a local distribution company where gas is delivered to the LDC. Some LDCs have multiple city gates served by the same or different pipelines.

**“Company”** – Shall mean Niagara Mohawk Power Corporation, dba National Grid, Niagara Mohawk Power Corporation, Niagara Mohawk, NM, National Grid or NG

**“Critical Day”** - A critical day exists when the LDC declares an OFO.

**“Critical Period”** - A period of operational stress or impending potential stress that may impact the integrity of the LDC’s gas distribution system or a force majeure event.

**“Cubic Foot”** - The amount of gas required to fill a volume of one cubic foot under stated conditions of temperature, pressure and water vapor, usually referenced to 14.7 PSI and 60 degrees Fahrenheit. It is common in the natural gas industry to use the general /average value of 1 Cf = 1034 BTUs.

**“Curtailement”** - The reduction of gas deliveries caused by a shortage of supply or a lack of pipeline capacity. Usually there is a stated priority of customers on the pipeline for the purposes of curtailing deliveries. Service to industrial customers, for example, is usually curtailed before service to residential customers.

**“Customer Account Number”**-The utility unique identifier associated with a utility customer.

**“Customer Service System (CSS)”** – National Grid’s billing system.

**“Degree Days”** – a measure of deviation in temperature used to indicate the need for gas to serve heating loads. The number of degree days on a day is calculated by subtracting the average daily temperature (average of the daily high and low temperature) from 65 degrees Fahrenheit.

**“Dekatherm (Dth)”** - A unit of heating (or thermal) value equal to 10 Therms or one million Btu’s (1MMBtu). 1 MMBTu = 1 Dth (or DT).

**“DTR”** – Demand Transfer Rate. A fee to recover pipeline costs that are billed to the Company on a fixed levelized basis and recovered from customers on a volumetric basis. This charge reconciles the collection from the customers with the amount paid to DTI from the Company.

**“Design Day”** - A 24-hour period of demand which is used as a basis for planning gas capacity requirements.

**“Direct Customer”** – A customer that purchases and schedules delivery of natural gas to the Company’s City Gate for its own consumption from one or more suppliers and not for resale. A customer with an annual use of a minimum of 3,500 dekatherms of natural gas at a single service point qualifies for direct purchases and scheduling of natural gas. Direct Customers do not have to file an application with the Department of Public Service, but must comply with certain operating requirements established by the Company.

**“Distributed Generation Service”** – Please refer to leaf # 215 of National Grid’s PSC No. 219 Gas Tariff

**“DPS”** – Department of Public Service.

**“Dual-Fuel Capability”** - The ability of a commercial or industrial end-user to burn fuels other than natural gas, usually coal, propane or fuel oil, at its option.

**“Entity”** – A natural person, corporation, partnership, association, or other legally recognized form of business organization.

**“Federal Energy Regulatory Commission (FERC) [Successor to the Federal Power Commission]”** - An independent federal agency created in 1977 which regulates, among other things, interstate wholesale sales and transportation of natural gas at “just and reasonable” rates.

**“Firm Service”** - The highest quality sales or transmission service offered to customers under a rate schedule that anticipates no interruption to that service.

**“Forecast Daily Contract Quantity”** – Based on historic usage patterns and expected weather conditions, the amount of gas that must be delivered daily by a Marketer.

**“Force Majeure”** - An *“Act of God”* or other unexpected and disruptive event beyond the control of buyer or seller which interferes with or precludes a party’s ability to perform under a contract. A force majeure clause in a contract is intended to excuse a party from performing a contract obligation if the event asserted is of the type specifically included within the language of the clause. It is strictly construed by most Courts.

**“Forced Balancing Operational Flow Orders”** - Orders issued by a pipeline or LDC in difficult operational circumstances to protect the integrity of its gas system, either by restricting service or requiring affirmative action by shippers.

**“Form ‘T’ Agreement”** – Transportation Agreement for large Commercial and Industrial customers (greater than 50,000 therms annual use) that must be executed by the customer and National Grid.

**“FT”** - Firm Transportation.

**“FTNNGSS”** – Firm Transportation No Notice Gas Storage Service.

**“Gas Day”** - A period of twenty-four consecutive hours beginning at 10:00 a.m. E.S.T., and ending at 10:00 a.m. E.S.T., the next calendar day.

**“Gas Supply Service (GSS)”** – The furnishing of gas supply, including transportation to the Company’s City Gate, to meet a customer’s needs, exclusive of the delivery service provided by the Company under its tariff.

**“Gas Week (Bid Week)”** - Usually the last full week each month when gas purchasers firm up and finalize their required gas purchases and transportation arrangements for the upcoming month. All parties (utilities, marketers, shippers, etc.) finalize their upstream and downstream transportation arrangements for the upcoming month.

**“Gas Confirmation Process”** - The process by which a gas supplier’s nomination to the LDC city gate is verified by the pipelines and the LDC upstream and downstream along the path of the gas suppliers.

**“GSS”** – Gas Storage Service.

**“Human Needs Customer”** - High priority customers such as residences, hospitals and nursing homes, for which failure to get gas could be life threatening.

**“Interruptible Service”** - Transportation service that is subject to interruption for lack of gas supply or pipeline capacity at the insistence of the gas seller or the pipeline as the case may be. (In the context of a gas purchase contract, it is sometimes referred to as “best efforts” service.) Rates for interruptible service are lower than those for firm service.

**“Interstate Gas”** - Natural gas transported in interstate pipelines and consumed in a state other than the one in which it was produced.

**“Intrastate Gas”** - Natural gas produced, sold and consumed in the same state without being transported in interstate commerce and not made subject to federal (FERC) jurisdiction.

**“IT”** – Interruptible Transportation.

**“Involuntary Switch”** – A process or situation where a customer’s Marketer is changed from one provider to another without the customer’s authorization. This type of switch includes when the Marketer goes out of business, assigns its customers to another Marketer or decides to no longer serve a particular customer, or where a customer returns to the Company as a result of a Marketer’s failure to deliver. An Involuntary Switch that is not in accordance with the “Discontinuance of Service” provision set forth in Service Classification No. 11 of the Company’s tariff is referred to as Slamming.

**“Line Loss”** - The amount of gas lost in a distribution system or pipeline.

**“Line Pack”** - Inventory of gas in a pipeline or in a gas distribution system.

**“Liquefied Natural Gas”** - Natural gas which has been liquefied by reducing its temperature to minus 260 degrees Fahrenheit at atmospheric pressure. It remains a liquid at minus 116 degrees Fahrenheit and 673 psig. In volume, it occupies a volume 1/600 of that of the vapor.

**“Load Factor”** - The ratio of the average consumption to maximum consumption for the same time period. Most commonly the average annual daily consumption divided by the maximum daily consumption during a 12-month period.

**“Local Distribution Company”** - The company whose primary function is to distribute gas supply procured by it or by Marketers or Direct Customers, to retail gas users. LDCs also provide transportation service to retail end users as well as other services.

**“Lost and Unaccounted for Gas (LUFG)”** - The difference between the quantity of gas available from all sources (purchased, transported, and locally produced) and the quantity accounted for by sales or company uses. Lost and unaccounted for gas is primarily associated with leakage, metering inaccuracies and theft.

**“Market Participants”** - LDCs, Marketers or their agents, Direct Customers, Pool Operators, and Pipelines involved in bringing gas to an LDC’s city gate.

**“Maximum Allowable Operating Pressure (MAOP)”** - The maximum pressure at which a gas system may be operated.

**“Maximum Peak Day Quantity (MPDQ)”** – The maximum quantity (based on 75 degree days) of gas that the customer may take on any winter day. Customers will be assigned an MPDQ in accordance with the Base and Thermal Methodology.

**“Minimum Storage Inventory Level (MSIL)”** – Marketers participating in Monthly Balancing must meet storage levels based on released storage capacity upstream of NM’s City Gate from October 1 through March 15.

**“Mcf”** - One thousand cubic feet. The average domestic user consumes 100 – 200 Mcf annually. Very roughly, 1 Mcf = 1 MMBTu = 1 Dth = 1 gigajoule.

**“MMBTU”** - One million British Thermal Units.

**“MMcf”** - One million cubic feet.

**“New York Mercantile Exchange (NYMEX)”** - A shipper’s request to move a certain volume of gas on a pipeline during a given period. Most nominations are made on a daily basis, although intraday nominations are required by NAESB standards and hourly nominations are possible on some pipeline systems.

**“Normal Degree Day”** - Estimated (normalized) degree-days for a given day based on historical average.

**“Normalized”** - Adjusted for weather using weather normalization (degree-day) factors.

**“North American Energy Standards Board, Inc (NAESB)”** - A non-profit North American industry association whose mission is “to develop and promote standards to simplify and expand electronic communications, and to simplify and streamline business practices that will lead to a seamless marketplace for natural.”

**“Peak Day”** - The day in which the highest volume of gas is delivered into the utility’s system in order to meet usage demands.

**“Peak Month”** - The month in which the highest volume of gas is delivered into the utility’s system in order to supply usage demands.

**“Pool Operator”** – An eligible Marketer or other qualified entity responsible for deliveries, balancing, and settlement activities for a Direct Customer or another Marketer.

**“Pools”** - Pools are groups of customers supplied by one Marketer.

**“Pooling Point”** - A physical or logical point where gas is aggregated from many receipt points to serve a number of contracts without tying a particular receipt point to a particular contract. Pooling points have traditionally been thought of as mainline pipeline receipt points. Under Order 636 that definition was expanded to include places where title passes from the gas merchant to the shipper, or where aggregation, balancing and penalties are determined. Order 636 prohibits tariffs that inhibit the development of pooling points.

**“Pro Rata Allocation”** - Methodology that allows all customers within a defined group or pool to receive the same proportion of gas available as their portion of total volumes under contract (as opposed to first-come, first-served).

**“PSC”** – Public Service Commission.

**“Receipt Point”** - The point at which gas is delivered into a pipeline, such as the interconnection between a producer’s production (or processing) facilities and the pipeline system.

**“Sales Service”** – Service provided under Service Classification Nos. 1, 2, or 3.

**“SupplierSelect Program”** – The distribution and delivery by the Company to the customer of natural gas furnished by the customer or by a third party on the customer’s behalf pursuant to the provision of Service Classification No. 11 of the tariff.

**“System Alert”** - An announcement of actual or pending events that if unchecked may result in an OFO.

**“The Company”** – Niagara Mohawk Power Corporation d/b/a National Grid.

**“Throughput”** - The volume of gas flowing through a pipeline or distribution system.

**“Voluntary Switch”** – A process or situation where a customer’s energy supplier is changed from one provider to another with the customer’s direct authorization.

- e. **Uniform Business Practices**  
**Appendix A**  
Case 98-M-1343  
November 22, 2006

**UNIFORM BUSINESS PRACTICES**  
**APPENDIX A**

**TABLE OF CONTENTS**

	<b><u>Section</u></b>	<b><u>Pages</u></b>
DEFINITIONS	1	1-4
ELIGIBILITY REQUIREMENTS	2	5-10
CREDITWORTHINESS	3	11-14
CUSTOMER INFORMATION	4	15-17
CHANGES IN SERVICE PROVIDERS	5	18-27
CUSTOMER INQUIRIES	6	28-28
DISTRIBUTION UTILITY INVOICES	7	29-29
DISPUTES INVOLVING DISTRIBUTION UTILITIES, ESCOs OR DIRECT CUSTOMERS	8	30-31
BILLING AND PAYMENT PROCESSING	9	32-44

### DEFINITIONS

As used in the Uniform Business Practices (UBP), the following terms shall have the following meanings:

**Assignment** – Transfer by one ESCO to another ESCO of its rights and responsibilities relating to provision of electric and/or gas supply under a sales agreement.

**Bill ready** – A consolidated billing practice that requires each non-billing party, after receiving customers' usage data, to calculate its charges and send via EDI charges, billing information, and bill messages to the billing party in a form that allows the transfer of the information to the bill in a format the billing party selects.

**Billing cycle** – The period for which a customer is billed for usage of electricity or natural gas.

**Billing services agreement (BSA)** – An agreement between the distribution utility and the ESCO stating the billing practices and procedures and the rights and responsibilities of billing and non-billing parties relating to issuance of consolidated bills to customers.

**Budget billing** – A billing plan that provides for level or uniform amounts due each billing period over a set number of period, typically 12 months, and determined by dividing projected annual charges by the number of periods. Installment amounts may be adjusted during the period and may include reconciliations at the end of the budget period to account for differences between actual charges and installment amounts.

**Business day** – Monday through Friday, except for public holidays.

**Consolidated billing** – A billing option that provides customers with a single bill combining charges from more than one service provider and issued by a distribution utility providing delivery service (utility consolidated bill) or by a commodity supplier (ESCO consolidated bill).

**Customer inquiry** – A question or request for information from a customer relating to a rate, term, or condition of service provided by an ESCO, distribution utility or other service provider.

**Cramming** – The addition of unauthorized charges to a customer's bill.

**Deferred payment agreement (DPA)** – A fair and equitable payment plan agreed upon by a customer and utility and/or a customer and an ESCO that allows a customer to pay an overdue amount in installments. A DPA is based upon the customer's financial circumstances and ability to pay the overdue amount while making payment on current charges.

**Demand** – The amount of electricity or natural gas that is or could be immediately needed by a customer at any given point in time referred to as customer load. For consolidated billing, the term is used in the context of "billing period demand" for customer bills.

**Electric** – The amount of electricity, measured in kilowatts (kW), that a customer uses at a point in time, the customer's usage averaged over a period, or capacity of facilities reserved for the customer for stand-by or other service.

**Natural Gas** – The amount of gas measured in cubic feet or therms that a customer uses or may use over a period, or capacity of facilities reserved for the customer for stand-by or other service.

**Direct customer** – An entity that purchases and schedules delivery of electricity or natural gas for its own consumption and not for resale. A customer with a minimum peak connected load of 1 MW at a single service point qualifies for direct purchase and scheduling of electricity provided the customer complies with ISO requirements. A customer with annual use of a minimum of 3,500 dekatherms of natural gas at a single service point qualifies for direct purchase and scheduling of natural gas.

**Distribution utility** – A gas or electric corporation owning, operating or managing electric or gas facilities for the purpose of distributing gas or electricity to end users.

**Distribution utility customer account number** – A number used by a distribution utility to identify the account of a utility customer.

**Distribution utility tariff** – A schedule of rates, terms and conditions of services provided by a distribution utility.

**Drop** – A transaction that closes a customer's account with a provider. This term is used when: (1) a customer's enrollment is pending and the customer rescinds the enrollment; (2) a customer enrolled with an ESCO returns to distribution utility service or enrolls with another ESCO; or (3) the ESCO discontinues service to a customer.

**Dual billing** – A billing option that provides for separate calculation of charges and presentation of bills to the customer by the distribution utility and ESCO.

**Electronic data interchange (EDI)** – The computer-to-computer exchange of routine information in a standard format using established data processing protocols. EDI transactions are used in retail access programs to switch customers from one supplier to another or to exchange customers' history, usage or billing data between a distribution utility or MDSP and an ESCO. Transaction set standards, processing protocols and test plans are authorized in orders issued by the Public Service Commission in Case 98-M-0667, In the Matter of Electronic Data Interchange and available on the Department of Public Service (DPS) Web site at: [www.dps.state.ny.us/98m0667.htm](http://www.dps.state.ny.us/98m0667.htm).

**Energy broker** – A non-utility entity that performs energy management or procurement functions on behalf of direct customers or ESCOs but does not make retail energy sales to customers.

**Energy services company (ESCO)** – An entity eligible to sell electricity and/or natural gas to end-use customers using the transmission or distribution system of a utility. ESCOs may perform other retail service functions. Sometimes, other terms are used for such entities, such as, ESCO/Marketer to describe a supplier of both commodities, ESCO to describe a supplier of electricity and marketer to describe a supplier of natural gas. For simplicity, the term ESCO is used in the UBP to refer to suppliers of natural gas and/or electricity.

**Enroll/Enrollment** – The process used to switch a customer from a distribution utility to an ESCO or from one ESCO to another.

**Enrollment date** – The effective date for commencement of electric or natural gas service from an ESCO or distribution utility.

**Guarantor** – An entity that agrees to pay another's debt or perform another's duty, liability or obligation.

**Independent System Operator (ISO)** – An independent management organization, authorized by the Federal Energy Regulatory Commission, operating the bulk electric transmission system.

**Interval data** – Actual energy usage for a specific time interval for a specific period recorded by a meter or other measurement device.

**Load profile** – Actual or estimated customer energy usage by interval over a period representing usage for a customer or average usage for a customer class.

**Lockbox** – A billing payment receipt method agreed upon by a distribution utility and an ESCO, involving use of a third party financial institution to receive and disburse customer payments.

**Marketer** – The term marketer typically refers to the supplier of natural gas. In the UBP, the term ESCO is used to refer to a supplier of either or both electricity and natural gas.

**Meter** – A device for determination of the units of electric or natural gas service supplied to consumers.

**Meter Data Service Provider (MDSP)** – An entity that provides meter data services, consisting of meter readings, meter data translations, and customer association, validation, editing and estimation.

**Meter Service Provider (MSP)** – An entity that installs, maintains, tests and removes meters, or other measurement devices and related equipment.

**Multi-retailer model** – A model for retail access that involves provision of electric or natural gas supply and of delivery service, provided separately to end use customers by two or more entities.

**New delivery customer** – A customer initiating delivery service by a distribution utility.

**Nomination** – A request for delivery of a physical quantity of natural gas or for its delivery at a specific point under a purchase, sale, or transportation agreement.

**Pay-as-you-get-paid method** – A payment processing method offered by a billing party presenting consolidated bills, whereby the billing party forwards payment to the non-billing party after receiving payment from the customer.

**Pending enrollment** – A stage in processing an enrollment that commences with validation of an enrollment transaction request and ends on the enrollment date that the new supplier is expected to deliver energy.

**Purchased accounts receivable** – A debt owed to an ESCO by a customer for receipt of supplies of gas or electricity and transferred to a distribution utility in exchange for consideration.

**With recourse** – Purchase of accounts receivable with recourse by a distribution utility means that the ESCO remains liable if its customers fail to make payments. A distribution utility that purchases accounts receivable with recourse sends payments to an ESCO at predetermined intervals for amounts billed that are not in dispute and may offset subsequent purchase payments against or obtain reimbursement from an ESCO of any unpaid amounts.

**Without recourse** – Purchase of accounts receivable without recourse by a distribution utility means that the ESCO is not liable if its customers fail to make payments. A distribution utility that purchases accounts receivable without recourse sends payments to an ESCO at predetermined intervals for amounts billed that are not in dispute and has no right to seek reimbursement from an ESCO of any unpaid amounts.

**Rate ready** – A consolidated billing practice that requires each non-billing party to furnish in advance of the billing cycle, rates, rate codes or prices (fixed and/or variable), tax rates, billing information, and bill messages to the billing party. The billing party, after receipt of usage data from the MDSP, uses the information on record to calculate the non-billing party's charges.

**Sales agreement** – An agreement between a customer and an ESCO that contains the terms and conditions governing the supply of electricity and/or natural gas provided by an ESCO. The agreement may be a

written contract signed by the customer or a statement supporting a customer's verifiable verbal or electronic authorization to enter into an agreement with the ESCO for the services specified.

**Single retailer model** – A model for retail access that involves provision of electric and/or natural gas service to end users by an ESCO that purchases delivery service from the distribution utility and resells it along with electricity and/or natural gas to end users.

**Slamming** – Enrollment of a customer by an ESCO without authorization.

**Special meter reading** – An actual meter reading performed, upon request, on a date that is different than the regularly scheduled meter reading date.

**Special needs customer** – A customer who has a certified medical emergency condition, who is elderly, blind or physically challenged, or who may suffer serious impairment to health or safety as a result of service termination during cold weather periods and, thus, is eligible for special procedures before termination of service under the Home Energy Fair Practices Act (HEFPA) (Public Service Law §32(3)).

**Switch** – Transfer of a customer from one ESCO to another, from a distribution utility to an ESCO, or from an ESCO to a distribution utility.

**Switching cycle** – For electric service, the period between the date of the last meter reading and the next regularly scheduled meter reading. For gas customers, the period between the date of the last meter reading and the next regularly scheduled meter reading or the first day of the month and the first day of the following month.

ELIGIBILITY REQUIREMENTS

**A. Applicability**

This Section sets forth the process that an applicant is required to follow for a Department of Public Service (DPS) finding of eligibility to sell natural gas or electricity as an ESCO, that an ESCO is required to follow to maintain eligibility, and that a distribution utility is required to follow for discontinuance of an ESCO's or Direct Customer's participation in a distribution utility's retail access program.

**B. Application Requirements**

1. Applicants seeking eligibility to sell natural gas and/or electricity as ESCOs are required to submit to the DPS an application package containing the following information and attachments:
  - a. A completed Retail Access Eligibility Form, available on the DPS web site: [www.dps.state.ny.us](http://www.dps.state.ny.us).
  - b. A sample standard Sales Agreement for each customer class that includes the following information written in clear, plain language:
    1. Terms and conditions applicable to the business relationship between the ESCO and the customer, including provisions governing the process for rescinding or terminating an agreement by the ESCO or the customer;
    2. Procedures for resolving disputes between the ESCO and a customer;
    3. Consumer protections provided by the ESCO to the customer;
    4. Method for applying payments and consequences of non-payment;
    5. Any charges and fees, services, options or products offered by the ESCO;
    6. DPS contact information, including the DPS retail market complaint line at 1-800-342-3377;
    7. ESCO contact information, including a local or toll-free number from the customer's service location, and procedures used for after-hours contacts and emergency contacts, including transfer of emergency calls directly to a distribution utility and/or an answering machine message that includes an emergency number for direct contact with the distribution utility.
    8. A statement that the ESCO shall provide at least 15 calendar days notice prior to any cancellation of service to a customer; and
    9. If a condition of service, a statement that the ESCO reserves the right to assign the contract to another ESCO.
  - c. Sample forms of the notices sent upon assignment of sales agreements, discontinuance of service, or transfer of customers to other providers.
  - d. A sample ESCO bill used when dual billing is in effect and, if applicable, a sample ESCO consolidated bill, with terms stated in clear, plain language;
  - e. Procedures used to obtain customer authorization for ESCO access to a customers' historic usage or credit information;
  - f. Sample copies of informational and promotional materials that the ESCO uses for mass marketing purposes;
  - g. Proof of registration with the New York State Department of State;
  - h. Internal procedures for prevention of slamming and cramming;
  - i. Name, postal and e-mail addresses, and telephone and fax numbers for the applicant's main office;
  - j. Names and addresses of any entities that hold ownership interests of 10% or more in the ESCO, including a contact name for corporate entities and partnerships; and,
  - k. Detailed explanation of any criminal or regulatory sanctions imposed during the previous 36 months against any senior officers of the ESCO or any entities holding ownership interests of 10% or more in the ESCO.

2. Applicants shall submit to the DPS Test Moderator designated EDI transactions required for syntactical verification in the Phase I testing program. The DPS shall maintain a list of ESCOs that successfully complete Phase I test requirements by transaction type.
3. An ESCO that knowingly makes false statements in its application package is subject to denial or revocation of eligibility
4. If the application package contains information that is a trade secret or sensitive for security reasons, the applicant may request the DPS to withhold disclosure of the information, pursuant to the Freedom of Information Law (Public Officers Law Article 6) and Public Service Commission regulations (16 NYCRR §6-1.3).

**C. DPS Review Process**

The DPS shall review the application package and conduct EDI Phase I testing as required for each applicant. An ESCO shall notify the DPS of any major changes in the information submitted in the Form and/or application package that occurs during the DPS review process. The DPS shall advise the applicant, in writing, if the applicant submitted the required information and EDI testing is successfully completed.

**D. Maintaining ESCO Eligibility Status**

1. An ESCO shall submit by January 31 each year:
  - a. a statement that the information and attachments in its Retail Access Eligibility Form and application package are current; or
  - b. a description of revisions to the Form and application package and a copy of the revised portions or, at the ESCO's option, a copy of the revised portions identifying the revisions by highlighting or other means.
2. An ESCO shall submit at other times during the year:
  - a. a description of any major change in the Form and/or application package and a copy of the revised portions or, at the ESCO's option, a copy of the revised portions identifying the revisions by highlighting or other means. For purposes of Subdivision D of this Section, the term, "major change," means a revision in the terms and conditions applicable to the business relationship between the ESCO and its customers, including provisions governing the process for termination of sales agreements.
  - b. changes in the ESCO's business and customer service information displayed on the DPS Web site.
  - c. no later than the 5th day of each month, each price, on a per unit basis, that the ESCO offered and would have charged for each of its services generally available to eligible residential customers as of the 1st day of that month, along with such other information about each price as is required to complete the standardized price reporting format developed by the DPS.
3. The DPS shall provide written notice to an ESCO of any deficiency in the maintenance of its eligibility status, including failure of an ESCO to disclose any major change and failure of any ESCO to timely and accurately submit required price information.
  - a. The ESCO shall have ten business days after receipt of written notice to provide a response or to file a request for an extension of time.
  - b. The ESCO shall have 10 days after receipt of a written determination from the DPS that price information was not timely or accurately reported to cure the deficiency identified in the determination by reporting the information required. If the ESCO fails to timely cure the deficiency, the DPS may notify the distribution utilities that they shall cease to

enroll new customers for that ESCO, until such time as the DPS informs them the processing of new enrollments shall resume.

4. The DPS may, at any time, determine that an ESCO is no longer eligible to sell electricity and/or natural gas to retail customers for reasons, including, but not limited to:
  - a. false or misleading information in the application package;
  - b. failure to adhere to the policies and procedures described in its Sales Agreement;
  - c. failure to comply with required customer protections;
  - d. failure to comply with applicable ISO requirements, reporting requirements, or DPS oversight requirements;
  - e. failure to provide notice to the DPS of any material changes in the information contained in the Form or application package;
  - f. failure to comply with the UBP terms and conditions, including discontinuance requirements;
  - g. failure to comply with EDI transaction set standards and processing protocols and/or use properly functioning EDI systems;
  - h. repeated failures to comply with price reporting requirements, reporting misleading price information, or continuing to fail to comply with price reporting requirements after withdrawal of eligibility to enroll new customers; or
  - i. any of the reasons stated in Subdivision F of this Section.
5. An ESCO's eligibility to serve customers is valid: unless revoked by the DPS, after notice and opportunity for response; the ESCO abandons its eligibility status; or, a court of competent jurisdiction issues a final order authorizing discontinuance of the ESCO's participation in the distribution utility's retail access program.
6. The DPS shall notify distribution utilities, and the ISO, if applicable, of any determination to revoke an ESCO's eligibility to sell natural gas and/or electricity. The distribution utility shall notify the ESCO's customers, in accordance with paragraph 3 of Subdivision F of this Section, of any DPS revocation of an ESCO's eligibility.

#### **E. Distribution Utility Requirements**

1. After receipt of the DPS compliance letter, the ESCO shall notify the distribution utility, and ISO, if applicable, of its eligibility status and intent to complete the process to commence operation in the distribution utility's service area, including execution of any operating agreement that is required.
2. Upon satisfaction of the distribution utility's and, if applicable, the ISO's requirements, and successful completion of EDI testing conducted by the distribution utility, the ESCO may enter into an operating agreement, if any is required, with the distribution utility to commence operations in its service territory.

#### **F. Discontinuance of an ESCO's and Direct Customer's Participation in a Retail Access Program**

1. In accordance with the procedures established in this Subdivision, a distribution utility may discontinue an ESCO's or Direct Customer's participation in its retail access program for the following reasons:
  - a. failure to act that is likely to cause, or has caused, a significant risk or condition that compromises the safety, system security, or operational reliability of the distribution utility's system, and the ESCO or Direct Customer failed to eliminate immediately the risk or condition upon verified receipt of a non-EDI notice;
  - b. failure to provide natural gas (provided zero quantity) to the distribution utility's city gate;

- c. failure to pay an invoice upon the due date;
  - d. failure to provide for delivery of at least 95% of the amount of natural gas directed by a distribution utility for delivery or at least 80% of the daily metered usage of the ESCO's customers or a Direct Customer's specified load or lower percentages included in a balancing program established in a distribution utility's tariff and/or any operating agreement;
  - e. failure to maintain a creditworthiness standard or provide required security;
  - f. failure to comply with the terms and conditions of a distribution utility's tariff, operating agreement, or Gas Transportation Operating Procedures (GTOP) Manual;
  - g. discontinuance of an ESCO's or Direct Customer's participation in a distribution utility's retail access program by the ISO; or,
  - h. DPS determination that an ESCO is not eligible to sell natural gas or electricity to retail customers.
2. To initiate the discontinuance process, a distribution utility shall send a non-EDI discontinuance notice by overnight mail and verified receipt, to the ESCO or Direct Customer and DPS. The notice shall contain the following information:
- a. the reason, cure period, if any, and effective date for the discontinuance;
  - b. a statement that the distribution utility shall notify the ESCO's customers of the discontinuance if the ESCO fails to correct the deficiency described in the notice within the cure period, unless the DPS directs the distribution utility to stop the discontinuance process;
  - c. the distribution utility may suspend the ESCO's right to enroll customers until correction of the deficiency; and
  - d. correction of the deficiency within the cure period, or a DPS directive, will end the discontinuance process.
3. The distribution utility shall send notices to the ESCO's customers informing them of the discontinuance and providing the following information:
- a. The discontinuance shall or did occur on one of the following dates selected by the distribution utility: the scheduled meter reading date, the first day of the month, or another date, if readings are estimated, or on the date of a special meter reading;
  - b. Customers have the option to select another ESCO or return to full utility service or, if a program authorizing random assignment is in effect, to enroll with a designated ESCO through that program;
  - c. Names and telephone numbers of ESCOs offering service to retail customers in the distribution utility's service territory;
  - d. Any ESCO selected by a customer may file an enrollment request on the customer's behalf with the distribution utility, and the distribution utility shall charge no fee for changing the customer's provider to the new ESCO; and,
  - e. During any interim between discontinuance of a customer's current ESCO and enrollment with a new ESCO, the distribution utility shall provide service under its applicable tariff, unless the distribution utility notified the customer that it is terminating its delivery services to the customer on or before the discontinuance date.
4. The distribution utility shall submit a sample copy of its discontinuance notice to the DPS for review and approval prior to distribution to customers.
5. The distribution utility may request permission from the DPS to expedite the discontinuance process, upon a showing that it is necessary for safe and adequate service or in the public interest. Any expeditious discontinuance process shall include the ESCO or Direct Customer, and the distribution utility.
6. Upon any discontinuance, an ESCO or Direct Customer shall remain responsible for payment or reimbursement of any and all sums owed under the distribution utility tariffs, any tariffs on

file with the FERC and service agreements relating thereto, or any agreements between the ESCO and the distribution utility.

7. The notice requirements and time limits for a distribution utility to discontinue an ESCO's or Direct Customer's participation in a distribution utility's retail access program (discontinue participation) are:
  - a. Upon a distribution utility determination that an ESCO's or Direct Customer's action, or failure to act, is likely to cause, or has caused, a significant risk or condition that compromises the safety, system security, or operational reliability of the distribution utility's system and that the ESCO or Direct Customer failed to eliminate immediately the risk or condition upon verified receipt of a non-EDI notice, the distribution utility may discontinue participation as soon as practicable.
  - b. Upon a distribution utility determination that an ESCO or Direct Customer responsible for the delivery of natural gas failed, except under force majeure conditions, to deliver natural gas (provided zero quantity) to the distribution utility's service territory for its load, the distribution utility may discontinue participation no sooner than two business days after receipt by the ESCO or Direct Customer of a discontinuance notice.
  - c. Upon a distribution utility determination that an ESCO or Direct Customer failed to pay an invoice on the due date, as specified in the distribution utility's tariff, and the ESCO's or Direct Customer's required security or credit limit is insufficient to cover the unpaid amount, with interest, the distribution utility may discontinue participation no sooner than ten business days (cure period) after receipt by the ESCO or Direct Customer of a discontinuance notice. If the ESCO or Direct Customer pays the amount due on or before the expiration of the cure period, the distribution utility shall stop the process to discontinue participation.
  - d. Upon a distribution utility determination that an ESCO or Direct Customer responsible for the nomination and delivery of natural gas failed, except in force majeure conditions, to nominate and/or deliver sufficient natural gas to the distribution utility's service territory to satisfy at least 95% of the amount of natural gas directed by a distribution utility for delivery or at least 80% of the daily metered usage of the ESCO's customers or the Direct Customer's specified load or lower percentages included in a balancing program established in a distribution utility's tariffs and/or any operating agreement on any three days during any month, the distribution utility may initiate a discontinuance process no sooner than five business days (cure period) after receipt by the ESCO or Direct Customer of a discontinuance notice. If the ESCO or Direct Customer provides adequate assurances and a description of any necessary process changes that ensure adequate nominations and deliveries on or before the expiration of the cure period, the distribution utility shall stop the discontinuance process. Upon a determination to continue the discontinuance process because the assurances and proposed process changes are inadequate, the distribution utility shall notify the ESCO or Direct Customer that it will discontinue participation no later than 15 business days from the expiration of the cure period. The distribution utility shall notify the ESCO's customers that the distribution utility will discontinue participation on or before the expiration of 15 business days from the end of the cure period. If a failure to provide sufficient natural gas for any 3 days during a calendar month occurred during the past 12 months and the distribution utility sent a related discontinuance notice for each occurrence, it may discontinue participation no sooner than two business days after receipt by an ESCO or Direct Customer of a discontinuance notice.
  - e. Upon a distribution utility determination that an ESCO or Direct Customer failed to provide or maintain a creditworthiness standard or required security, the distribution utility may initiate a discontinuance process no sooner than five business days (cure period) after receipt by the ESCO or Direct Customer of a discontinuance notice. If the ESCO or Direct Customer satisfies the creditworthiness standard or provides the required security on or before the expiration of the cure period, the distribution utility shall stop the discontinuance process. Upon a determination to continue with the

discontinuance process because the ESCO or Direct Customer failed to comply with the creditworthiness standard or provide adequate security, the distribution utility shall notify the ESCO or Direct Customer that it will discontinue participation no later than 15 business days from the expiration of the cure period. The distribution utility shall notify the ESCO's customers that it will discontinue participation on or before 15 days from the expiration of the cure period. If a failure to comply with the creditworthiness standard or provide adequate security occurred twice during the past 12 months and the distribution utility sent a related discontinuance notice for each failure, it may discontinue participation no sooner than two business days after receipt by an ESCO or Direct Customer of a discontinuance notice.

- f. Upon a distribution utility determination that an ESCO or Direct Customer failed, except in force majeure conditions, to comply with any other applicable provision of the distribution utility's tariff, operating agreement, or GTO manual, the distribution utility may initiate a discontinuance process no sooner than ten business days (cure period) after receipt by the ESCO or Direct Customer of a discontinuance notice. If the ESCO or Direct Customer provides adequate assurances and a description of any necessary process changes that ensure compliance on or before the expiration of the cure period, the distribution utility shall stop the discontinuance process. Upon a determination to continue the discontinuance process because the assurances and proposed process changes are inadequate, the distribution utility shall notify the ESCO or Direct Customer that it will discontinue participation no later than 15 business days from the expiration of the cure period. The distribution utility shall notify the ESCO's customers that it will discontinue participation on or before the expiration of 15 business days after the end of the cure period.

## CREDITWORTHINESS

## A. Applicability

This Section establishes creditworthiness standards that apply to ESCOs and Direct Customers. An ESCO's and Direct Customer's participation in a distribution utility's retail access program is contingent upon satisfaction of creditworthiness requirements and provision of any security.

## B. ESCOs

1. An ESCO shall satisfy a distribution utility's creditworthiness requirements if:
  - a. The ESCO, or a guarantor, maintains a minimum rating from one of the rating agencies and no rating below the minimum from one of the other two rating agencies; for the purposes of this Section, minimum rating shall mean "BBB" from Standard & Poor's, "Baa2" from Moody's Investor Service, or "BBB" from Fitch Ratings (minimum rating); or,
  - b. The ESCO enters into a billing arrangement with the distribution utility, whereby the distribution utility bills customers on behalf of the ESCO and retains the funds it collects to offset any balancing and billing service charges provided that the distribution utility has a priority security interest with a first right of access to the funds. The ESCO shall submit an affidavit from a senior officer attesting to such utility interest and right.
2. If an ESCO, or a guarantor, is not rated by Standard & Poor's, Moody's Investor Service or Fitch Ratings, it shall satisfy a distribution utility's creditworthiness requirements if the ESCO, or a guarantor:
  - a. Maintains a minimum "1A2" rating from Dun & Bradstreet (Dun and Bradstreet minimum rating) and the ESCO maintains 24 months good payment history with the distribution utility; and,
  - b. Provides any security required by the distribution utility, calculated in accordance with Subdivision D, after deduction of the following unsecured credit allowances:

<u>Rating</u>	<u>Unsecured Credit Allowance</u>
5A1 or 5A2	30% of an ESCO's tangible net worth, up to 5% of the distribution utility's average monthly revenues for the applicable service
4A1 or 4A2	30% of an ESCO's tangible net worth, up to 5% of the distribution utility's average monthly revenues for the applicable service
3A1 or 3A2	30% of an ESCO's tangible net worth, up to 5% of the distribution utility's average monthly revenues for the applicable service
2A1 or 2A2	50% of an ESCO's tangible net worth, up to \$500,000
1A1 or 1A2	50% of an ESCO's tangible net worth, up to \$375,000

An ESCO shall provide information, upon request of the distribution utility, to enable the distribution utility to verify the ESCO's equity. The distribution utility may request reasonable information to obtain the verification and shall safeguard it as confidential information and protect it from public disclosure. The distribution utility may deny the unsecured credit allowance to any ESCO that fails to provide the requested information.

3. A distribution utility may require an ESCO to provide and maintain security in the full amount of the distribution utility's credit risk, calculated in accordance with Subdivision D, if:
  - a. The ESCO, or a guarantor, is not rated;
  - b. The ESCO, or a guarantor, with a minimum rating is placed on credit watch with negative implications or is rated below the minimum rating;
  - c. The ESCO, or a guarantor, is rated below the Dun & Bradstreet minimum rating or the ESCO fails to maintain 24 months good payment history with the distribution utility; or,
  - d. An ESCO issuing consolidated bills fails to render timely bills to customers or to make timely payments to the distribution utility.
4. If a distribution utility's credit risk, associated with an ESCO's participation in its retail access program, exceeds 5% of the distribution utility's average monthly revenues for the applicable service, the distribution utility may require the ESCO, in addition to maintaining a minimum rating, to provide and maintain security in the amount of such excess credit risk.

#### C. Direct Customers

A Direct Customer shall satisfy a distribution utility's creditworthiness requirements if:

1. Its account is current and remained current for the past 12 months; and,
2. If its debt is rated, it maintains a minimum rating of its long-term unsecured debt securities from one of the rating agencies and no rating below the minimum rating from one of the other two rating agencies.

#### D. Calculation of Credit Risk and Security

The distribution utility shall calculate its credit risk and establish its security requirements as follows:

1. Delivery Service Risk
  - a. For an ESCO that issues a consolidated bill under a multi-retailer model, a distribution utility may require security in an amount no greater than 45 days of peak usage of the ESCO's customers' projected energy requirements during the next 12 months, priced at the distribution utility's applicable delivery service rate and including relevant customer charges.
  - b. For an ESCO that bills customers for delivery and commodity services under a single retailer model, a distribution utility may require security in an amount no greater than 60 days of peak usage of the ESCO's customers' projected energy requirements during the next 12 months, priced at the distribution utility's applicable delivery service rate and including relevant customer charges.
  - c. Upon an ESCO request, the distribution utility shall establish separate security requirements for summer (April 1 - October 31) and winter (November 1 - March 31) and may retain winter security until the end of two months (April and May) after the end of the winter period.
2. Natural Gas Imbalance Risk
  - a. The distribution utility may require an ESCO or Direct Customer to provide security in an amount no greater than the ESCO's customers' or a Direct Customer's projected maximum daily quantity times peak forecasted NYMEX price for the next 12 months and for upstream capacity to the city gate times 10 days.

- b. Upon the request of an ESCO or Direct Customer, the distribution utility shall establish separate security requirements for summer (April 1 - October 31) and winter (November 1 - March 31) and may retain winter security until the end of two months (April and May) after the end of the winter period.
3. Major Change in Risk
- a. A major change shall mean a change in credit risk of more than the greater of 10% or \$200,000.
  - b. The ESCO or Direct Customer shall promptly notify the distribution utility and DPS of any major change in credit and or rating risk.
  - c. The distribution utility may require an ESCO or a Direct Customer, within five days, to provide additional amounts of security if a major change occurs to increase its credit risk, as follows:
    - 1. If Standard & Poors, Moody's Investor Service, or Fitch Ratings downgrades an ESCO's, or its guarantor's, rating or a Direct Customer's debt below the minimum rating or Dun & Bradstreet downgrades an ESCO's, or its guarantor's, rating or a Direct Customer's debt; or,
    - 2. An increase occurs in customer usage or in energy prices and such increase is sustained for at least 30 days.
  - d. In the event that a major change occurs to decrease a distribution utility's credit and/or rating risk, results in compliance by an ESCO or Direct Customer with creditworthiness requirements, and elimination of the basis for holding some or all of the security, the distribution utility shall return or release the excess amount of the ESCO's or Direct Customer's security with accumulated interest, if applicable. The distribution utility shall return such amount within five business days after receipt of an ESCO or Direct Customer notice informing the distribution utility of the occurrence of such major change.

#### E. Security Instruments

- 1. The following financial arrangements are acceptable methods of providing security:
  - a. Deposit or prepayment, which shall accumulate interest at the applicable rate per annum approved by the Public Service Commission for "Other Customer Capital";
  - b. Standby irrevocable letter of credit or surety bond issued by a bank, insurance company or other financial institution with at least an "A" bond rating;
  - c. Security interest in collateral; or,
  - d. Guarantee by another party or entity with a credit rating of at least "BBB" by S&P, "Baa2" by Moody's, or "BBB" by Fitch; or
  - e. Other means of providing or establishing adequate security
- 2. A distribution utility may refuse to accept any of these methods for just cause provided that its policy is applied in a nondiscriminatory manner to any ESCO.
- 3. If the credit rating of a bank, insurance company, or other financial institution that issues a letter of credit or surety bond to an ESCO or Direct Customer falls below an "A" rating, the distribution utility shall allow a minimum of five business days for an ESCO or Direct Customer to obtain a substitute letter of credit or surety bond from an "A" rated bank, insurance company, or other financial institution.

#### F. Lockbox

If the distribution utility and ESCO arrange for a lockbox, security requirements are reduced by 50% provided that the arrangement includes the following:

1. **Agreement on allocation of funds and the first right of the distribution utility, in the event of an ESCO's financial difficulty, to obtain funds in the lockbox deposited to the credit of the ESCO;**
2. **Establishment of rules for managing the lockbox;**
3. **Agreement on conditions for terminating the lockbox for non-compliance with the rules or for failure to receive customer payments on a timely basis; and,**
4. **Responsibility of an ESCO for any costs associated with implementing and administering the lockbox.**

**G. Calling on Security**

1. **If an ESCO or Direct Customer fails to pay the distribution utility, in accordance with UPB Section 7, Invoices, the distribution utility may draw from security provided that the distribution utility notifies the ESCO or Direct Customer five business days' in advance of the withdrawal and the ESCO or Direct Customer fails to make full payment before the expiration of the five business days.**
2. **If an ESCO receives a discontinuance notice or elects to discontinue service to customers and owes amounts to the distribution utility, the distribution utility may draw from the security provided by the ESCO without prior notice.**
3. **If an ESCO files a petition or an involuntary petition is filed against an ESCO under the laws pertaining to bankruptcy, the distribution utility may draw from security, to the extent permitted by applicable law.**

**H. Application by Distribution Utilities**

1. **Within ten business days after receipt of a complete ESCO application, a distribution utility shall complete its evaluation of initial creditworthiness, state the rationale for its determination, and provide the calculation supporting the credit limit and any resulting security requirement.**
2. **A distribution utility shall perform, at least annually, an evaluation, at no charge, of an ESCO's satisfaction of creditworthiness standards and security requirements.**
3. **A distribution utility shall perform evaluations of creditworthiness, security requirements, and security calculations in a non-discriminatory and reasonable manner.**
4. **Pending resolution of any dispute, the ESCO or Direct Customer shall provide requested security within the time required in this Section.**
5. **A distribution utility may reduce or eliminate any security requirement provided that it reduces or eliminates the requirement in a nondiscriminatory manner for any ESCO or Direct Customer. The distribution utility may request reasonable information to evaluate credit risk. If an ESCO or Direct Customer fails to provide the requested information, a distribution utility may deny the ESCO or Direct Customer an opportunity to provide lower or no security.**

CUSTOMER INFORMATION

## A. Applicability

This Section establishes practices for release of customer information by distribution utilities or MDSPs to ESCOs and Direct Customers and identifies the content of information sets. The distribution utility or MDSP and an ESCO shall use EDI standards, to the extent developed, for transmittal of customer information and may transmit data, in addition to the minimum information required, via EDI or by means of an alternative system.

## B. Customer Authorization Process. The distribution utility or MDSP shall provide information about a specific customer requested by an ESCO authorized by the customer to receive the information.

1. An ESCO shall obtain customer authorization to request information, in accordance with the procedures in UBP Section 5, Changes in Service Providers, Attachments 1, 2, and 3. An ESCO shall inform its customers of the types of information to be obtained, to whom it will be given, how it will be used, and how long the authorizations will be valid. The authorization is valid for no longer than six months unless the sales agreement provides for a longer time.
2. A distribution utility and a MDSP shall assume that an ESCO obtained proper customer authorization if the ESCO is eligible to provide service and submits a valid information request.
3. An ESCO shall retain, for a minimum of two years, verifiable proof of authorization for each customer. Verification records shall be provided by an ESCO, upon request of the DPS staff, within five calendar days after a request is made. Locations for storage of the records shall be at the discretion of the ESCOs.
4. Upon request of a customer, a distribution utility and/or MDSP shall block access by ESCOs to information about the customer.
5. An ESCO and its agent shall comply with statutory and regulatory requirements pertaining to applicable state and federal do-no-call registries.

C. Customer Information Provided to ESCOs<sup>1</sup>

1. **Release of Information.** A distribution utility and a MDSP shall use the following practices for transferring customer information to an ESCO:
  - a. A distribution utility shall provide the information in the Billing Determinant Information Set upon acceptance of an ESCO's enrollment request and the information in the Customer Contact Information Set and the Credit Information Set, upon ESCO request.
  - b. The distribution utility or MDSP shall respond within two business days to valid requests for information as established in EDI transaction standards and within five business days to requests for data and information for which an EDI transaction standard is not available. The distribution utility or MDSP shall provide the reason for rejection of any valid information request.

---

<sup>1</sup> Upon enrollment of a customer, an ESCO shall receive usage data and any subsequent changes, corrections and adjustments to previously supplied data or estimated consumption for a period, at the same time that the distribution utility validates them for use. An ESCO issuing consolidated bills is entitled to receive billing information, in accordance with UBP Section 9, Billing and Payment Processing.

2. **Customer Contact Information Set.** The distribution utility or MDSP, to the extent it possesses the information, shall provide, upon an ESCO request, consumption history for an electric account and consumption history and/or<sup>2</sup> a gas profile for a gas account.
  - a. **Consumption history<sup>3</sup> for an electric or gas account shall include:**
    1. Customer's service address;
    2. Electric or gas account indicator;
    3. Sales tax district used by the distribution utility;
    4. Rate service class and subclass or rider by account and by meter, where applicable;
    5. Electric load profile reference category or code, if not based on service class;
    6. Usage type (e.g., kWh or therm), reporting period, and type of consumption (actual, estimated, or billed);
    7. 12 months, or the life of the account, whichever is less, of customer data via EDI and, upon separate request, an additional 12 months, or the life of the account, whichever is less, of customer data via EDI or an alternative system at the discretion of the distribution utility or MDSP, and, where applicable, demand information;<sup>4</sup> if the customer has more than one meter associated with an account, the distribution utility or MDSP shall provide the applicable information, if available, for each meter; and
    8. Electronic interval data in summary form (billing determinants aggregated in the rating periods under a distribution utility's tariffs) via EDI, and if requested in detail, via an acceptable alternative electronic format.
  - b. **A gas profile for a gas account shall include:**
    1. customer's service address;
    2. gas account indicator;
    3. sales tax district used by the distribution utility for billing;
    4. rate service class and subclass or rider, by account and by meter, where applicable;
    5. date of gas profile; and,
    6. weather normalization forecast of the customer's gas consumption for the most recent 12 months or life of the account, whichever is less, and the factors used to develop the forecast.
3. **Billing Determinant Information Set.** Upon acceptance of an ESCO enrollment request, a distribution utility shall provide the following billing information for an electric or gas account, as applicable<sup>5</sup>:

<sup>2</sup> If a distribution utility or MDSP offer a gas profile and consumption history, an ESCO may choose either option. A distribution utility or MDSP shall make available, upon request, class average load profiles for electric customers.

<sup>3</sup> A distribution utility or MDSP, in addition to EDI transmittal, may provide Web based access to customer history information.

<sup>4</sup> A distribution utility may provide data for a standard 24 months or life of the account, whichever is less, as part of its customer contract information set.

<sup>5</sup> As specified in the EDI standard for an enrollment request and response, the distribution utility may transmit additional data elements, based upon the request, the responding distribution utility, and the commodity type.

- a. customer's service address, and billing address, if different;
- b. electric and/or gas account indicator;
- c. meter reading date or cycle and reporting period;
- d. billing date or cycle and billing period;
- e. meter number, if available;
- f. distribution utility rate class and subclass, by meter;
- g. description of usage measurement type and reporting period;
- h. customer's load profile group, for electric accounts only;
- i. life support equipment indicator;
- j. gas pool indicator, for gas accounts only;
- k. gas capacity/assignment obligation code;
- l. customer's location based marginal pricing zone, for electric accounts only; and,
- m. budget billing indicator.<sup>6</sup>

4. **Credit Information Set.** The distribution utility or MDSP shall provide credit information for the most recent 24 months or life of the account, whichever is less, upon receipt of an ESCO's electronic or written affirmation that the customer provided authorization for release of the information to the ESCO. Credit information shall include number of times a late payment charge was assessed and incidents of service disconnection.

**D. Direct Customer Information**

A Direct Customer shall receive usage data and any subsequent changes, corrections and adjustments to previously supplied data, and estimated consumption for a period, at the same time that the distribution utility validates them for use. The distribution utility or MDSP shall make available, upon request, to an electric Direct Customer, a class load profile for its service class.

**E. Charges for Customer Information**

No distribution utility or MDSP shall impose charges upon ESCOs or Direct Customers for provision of the information described in this Section. The distribution utility may impose an incremental cost based fee, authorized in tariffs for an ESCO's request for customer data for a period in excess of 24 months or for detailed interval data per account for any length of time.

**F. Unauthorized Information Release**

An ESCO, its employees, agents, and designees, are prohibited from selling, disclosing or providing any customer information obtained from a distribution utility or MDSP, in accordance with this Section, to others, including their affiliates, unless such sale, disclosure or provision is required to facilitate or maintain service to the customer or is specifically authorized by the customer or required by legal authority. If such authorization is requested from the customer, the ESCO shall, prior to authorization, describe to the customer the information it intends to release and the recipient of the information.

---

<sup>6</sup> This indicator is limited to 12 month levelized payment plans and does not include other payment plans.

**CHANGES IN SERVICE PROVIDERS****A. Applicability**

This Section establishes practices for receiving, processing, and fulfilling requests for changing a customer's electricity or natural gas provider and for obtaining a customer's authorization for the change. A change in a provider includes transfer from: (1) one ESCO to another; (2) an ESCO to a distribution utility; and (3) a distribution utility to an ESCO. This Section also establishes practices for: an ESCO's drop of a customer or a customer's drop of an ESCO, retention of an ESCO after a customer's relocation within a distribution utility's service area, assignment of a customer, and initiation or discontinuance of procurement of electricity or natural gas supplies by a Direct Customer. This Section does not establish practices for obtaining other energy-related services or changing billing options.

The process of changing a service provider is comprised of two steps. For enrollment with an ESCO, the first step is obtaining customer agreement to accept electric or natural gas service, or both, according to the terms and conditions of an offer. A sales agreement establishes the terms and conditions of the customer's business arrangement with the ESCO. The second step is enrollment and the distribution utility's modification of its records to list the customer's transfer to a provider on a specific date. This transaction is primarily between the ESCO and the distribution utility.

**B. Customer Agreement Procedures**

An ESCO, or its agent, may solicit and enter into a sales agreement with a customer subject to the following requirements.

1. The ESCO shall obtain a customer agreement to initiate service and enroll a customer and customer authorization to release information to the ESCO by means of one of the following methods.
  - a. telephone agreement and authorization, preceded or followed within three business days by provision of a sales agreement, in accordance with requirements in Attachment 1 – Telephonic Agreement and Authorization;
  - b. electronic agreement and authorization, attached to an electronic version of the sales agreement, in accordance with requirements in Attachment 2 – Electronic Agreement and Authorization; or
  - c. written agreement bearing a customer's signature on a sales agreement (original or fax copy of a signed document), in accordance with requirements in Attachment 3 – Written Agreement and Authorization.
2. The ESCO shall provide residential customers the right to cancel a sales agreement within three business days after its receipt (cancellation period).

**C. Provision of List of ESCOs to Customers**

Distribution utilities shall offer to provide a customer who requests initiation of delivery service with an up-to-date list of ESCOs and provide the list at any time, upon request of any customer.

**D. Customer Enrollment Procedures**

1. An ESCO shall transmit an enrollment request to a distribution utility no later than 15 calendar days prior to the effective date of the enrollment. The enrollment request shall contain as a minimum, the information required for processing set forth in Attachment 4 - Enrollment Request.

2. The distribution utility shall process enrollment requests in the order received.
3. The distribution utility shall accept only one valid enrollment request<sup>7</sup> for each commodity per customer during a switching cycle. If the distribution utility receives multiple enrollment requests for the same customer during a switching cycle, it shall accept the first valid enrollment request and reject subsequent requests.
4. An ESCO shall submit an enrollment request after it provides the sales agreement to the customer and, for residential customers, after the expiration of the cancellation period.
5. After receipt of an enrollment request, the distribution utility shall, within one business day, acknowledge its receipt, and, within two business days, provide a response indicating rejection and the reason, or acceptance and the effective date for the change of provider.
6. Upon acceptance of an enrollment request, the distribution utility shall send a notice to any incumbent ESCO that the customer's service with that ESCO will be terminated on the effective date of the new enrollment. In the event that the distribution utility receives notice no later than three business days before the effective date that a pending enrollment is cancelled, the distribution utility shall transmit a request to reinstate service to any incumbent ESCO, unless the ESCO previously terminated service to the customer or the customer requests a return to full utility service.
7. With the exception of a new installation use of an interim estimate of consumption or a special meter reading,<sup>8</sup> a change of providers is effective: for an electric customer, on the next regularly scheduled meter reading date; and, for a gas customer, on the next regularly scheduled meter reading date or the first day of the month, in accordance with provisions set forth in the distribution utility's tariff.<sup>9</sup> The distribution utility shall set the effective date, which shall be no sooner than 15 calendar days after receipt of an enrollment request. Service to new delivery customers is effective after the installation is complete and, if necessary, inspected.
8. An off-cycle change of an electric service provider is allowed no later than 15 calendar days before the date requested for the change if a new ESCO or a customer arranges for a special meter reading or agrees to accept an interim date for estimating consumption. The ESCO or customer is required to pay the cost for any special meter reading, in accordance with provisions set forth in the distribution utility's tariff. A change based upon an interim estimate of consumption or a special meter reading is effective on the date of the interim estimate or special meter reading. Off-cycle changes of gas service providers are allowed if the incumbent and new ESCO agree on an effective date no later than 15 calendar days following the request.

#### E. Customer Notification

1. The distribution utility shall send no later than one calendar day after acceptance of an enrollment request a verification letter to the customer notifying the customer of the acceptance. The notice shall inform the customer that if the enrollment is unauthorized or

---

<sup>7</sup> Criteria for determining the validity of an EDI transaction are described in the EDI processing protocols adopted in Case 98-M-0667, Electronic Data Interchange.

<sup>8</sup> If meters are read bimonthly and bills are issued monthly using estimated usage, the effective date for the interim months is the date usage estimated for billing purposes.

<sup>9</sup> If meters are not read within two business days of the scheduled meter reading day, the distribution utility or MDSP shall estimate usage as of the scheduled meter reading day. The effective date for a change of provider is that date, except where changes of natural gas suppliers are scheduled for the first of the month.

- the customer decides to cancel it, the customer is required immediately to so notify the distribution utility and pending ESCO.
2. Upon receipt of such cancellation, the distribution utility shall cancel the pending enrollment and reinstate the customer with the incumbent ESCO, if any, or the distribution utility, provided that no less than three business days remain before the planned effective date. If less than three business days remain, the change to the new provider shall occur and remain effective for one billing cycle. The customer shall return to full utility service at the end of the next switching cycle, unless the customer is enrolled by another ESCO at least 15 days before the beginning of the next switching cycle.
  3. If a customer notifies the pending ESCO of such cancellation, the pending ESCO shall send a customer's drop request to the distribution utility at least three business days prior to the effective date for the pending enrollment.

#### F. Rejection of Enrollment Requests

The distribution utility may reject an enrollment request for any of the following reasons:

1. Inability to validate the transaction;
2. Missing or inaccurate data in the enrollment request;
3. ESCO's ineligibility to provide service in the specified territory;
4. No active or pending delivery service;
5. A pending valid prior enrollment request; or
6. The account is coded as ineligible for switching.

#### G. Customer Relocations Within a Service Territory

1. A customer requesting relocation of service within a distribution utility's service territory and continuation of its ESCO service arranges for continuation at the new location of delivery service by contacting the distribution utility and of commodity service by contacting the ESCO.<sup>10</sup> Each provider contacted by the customer shall remind the customer of the need to contact the other provider to initiate the change in service or arrange for a conference call with the other provider and customer, and within two days, notify the other provider that a customer requested relocation of service.
2. The distribution utility's representative shall inform the customer, or the customer's agent, and the ESCO of the effective dates, contingent upon the customer's approval, for discontinuance of service at one location and commencement of service at the new location. The ESCO shall confirm to the distribution utility that it shall continue service to the customer at the new location.
3. In the event that the ESCO is unable, or does not wish, to continue service to the customer at the new location, the distribution utility shall provide full utility service to the customer.

#### H. Customers Returning to Full Utility Service

1. A customer arranges for a return to full utility service by contacting the distribution utility and ESCO. Each provider contacted by the customer shall, within two days, notify the other provider that a customer requested a change of service and remind the customer of the need to contact the other provider to initiate the change in service providers, or arrange for a conference call with the other provider and customer. An ESCO, acting as a customer's agent, may contact the distribution utility to initiate a return to full utility service from

---

<sup>10</sup> In the Single Retailer Model, the customer contacts only its ESCO. The ESCO notifies the distribution utility of the customer's new service location and mailing address, if applicable. Direct customers contact only the distribution utility.

ESCO service. If a change to full utility service results in restrictions on the customer's right to choose another supplier or application of a rate that is different than the one applicable to other full service customers, the distribution utility shall provide advance notice to the customer.

2. A Direct Customer that intends to change from procuring its own supplies to full utility service shall notify the distribution utility.
3. No ESCO shall transfer 5,000 or more customers during a billing cycle to full utility service, unless it provides no less than 60 calendar days notice to the distribution utility and DPS. The transfers shall occur on the customers' regularly scheduled meter reading dates, unless the distribution utility and ESCO agree to a different schedule.
4. The following process sets forth the steps for an ESCO's return of a customer to full utility service.
  - a. An ESCO may discontinue service to a customer and return the customer to full utility service provided that the ESCO notifies the customer and the distribution utility no later than 15 calendar days before the effective date of the drop. The ESCO's right to discontinue service to any customer is subject to any limitations contained in its sales agreement.
  - b. An ESCO's notice to retail customers shall provide the following information:
    1. Effective date of the discontinuance, established by the distribution utility, unless the ESCO arranged for an off-cycle date;
    2. Statement that the customer has the options to select another ESCO, receive full utility service from the distribution utility, or, if available in the distribution utility's service area and the customer is eligible, accept random assignment by the distribution utility to an ESCO; and,
    3. Statement that customer shall receive full utility service until the customer selects a new ESCO and the change in providers is effective, unless the distribution utility notified the customer that it will terminate its delivery service on or before the discontinuance date.
  - c. The ESCO shall provide a sample form of the notice it plans to send to its customers when it transfers 5,000 or more customers to the DPS for review no later than five calendar days before mailing the notice to customers.

#### I. New Delivery Customers

1. A customer may initiate distribution utility delivery service and subsequently enter into a customer agreement with an ESCO for commodity supply, or arrange for both services at the same time.
2. A customer may initiate commodity supply through programs offered by some distribution utilities that involve assignments of customers to ESCOs that have agreed to accept additional customers.
3. A customer may authorize an ESCO to act as the customer's agent (ESCO agent) in establishing distribution utility service. The ESCO agent shall retain, and produce upon request, documentation that the customer authorized the ESCO to act as the customer's agent.
4. An ESCO acting as a customer's agent shall establish a new delivery account on behalf of the customer and enroll the customer with the distribution utility so that ESCO commodity service commences when distribution utility delivery service begins. The ESCO shall retain, and produce upon request, documentation that the customer authorized the ESCO to act as the customer's agent. An ESCO that is a customer's agent is authorized to submit the customer's application for new delivery service, in compliance with requirements for such applications stated in the law, rules and distribution utility tariffs. An ESCO shall provide the customer's name, service address and, if different, mailing address, telephone number, customer's

requested service date for initiation of delivery service, and information about any special need customers, including any need for life support equipment. An ESCO shall refer a customer directly to a distribution utility for arrangement of distribution related matters, such as contribution-in-aid of construction and construction of facilities necessary to provide delivery service and settling of arrears and posting security.

5. Upon a customer's application for service, the distribution utility shall provide an ESCO with the effective date for initiation of delivery service and any other customer information provided to an ESCO in an acceptance of an enrollment request. The distribution utility may notify the customer of the acceptance.

#### J. Multiple Assignments of Sales Agreements

1. An ESCO may assign all or a portion of its sales agreements to other ESCOs provided that the assigned sales agreements clearly authorize such assignments or the ESCO provides notice to its customers prior to the assignments and an opportunity for each customer to choose another ESCO or return to full utility service. An ESCO shall provide a written notice no later than 30 calendar days prior to the assignment or transfer date to each customer and distribution utility. The notice to the distribution utility shall include a copy of the assignment document, with financial information redacted, executed by the officers of the involved ESCOs, and a copy of the notice sent to the customer, or, if a form notice, a copy of the form and a list of recipients.
2. The assignment documents shall specify the party responsible for payment or reimbursement of any and all sums owed under any distribution utility tariff or Federal Energy Regulatory Commission tariff and any service agreements relating thereto, and under any agreements between ESCOs and distribution utilities and between ESCOs and their customers.
3. An ESCO's notices to customers shall provide the following information:
  - a. effective date of the assignment;
  - b. the name, mailing and e-mail addresses, and telephone number of the assigned ESCO; and,
  - c. any changes in the prices, terms and conditions of service, to the extent permitted by the sales agreement.
4. The ESCO shall provide sample forms and any major modifications of such notices to the DPS for review no later than five calendar days before mailing them to customers.
5. The distribution utility shall, within two business days after receipt of an assignment request, acknowledge and initiate processing of the request and send written notice of the request to the ESCO's assigned customer.

#### K. Unauthorized Customer Transfers

1. A change of a customer to another energy provider without the customer's authorization, commonly known as slamming, is not permitted. The distribution utility shall report slamming allegations to the DPS.
2. An ESCO that engages in slamming shall refund to a customer the difference between charges imposed by the slamming ESCO that exceed the amount the customer would have paid its incumbent provider and pay any reasonable costs incurred by the distribution utility to change the customer's provider from the ESCO that engaged in slamming to another provider.
3. ESCOs shall retain for two years documentation of a customer's authorization to change providers. Such documentation shall comply with the requirements described in Attachments 1, 2 or 3.

**L. Lists of ESCO Customers; Budget Billing: Charges and Fees**

1. A distribution utility, upon an ESCO's request, shall provide at no charge, once each calendar quarter, a list of the ESCO's customers at the time of the request and, monthly, the number of accounts enrolled with an ESCO and the ESCO's sales (kWh and/or dekatherms). ESCOs may obtain such customer lists at other times for cost-based fees set forth in distribution utility tariffs.
2. A distribution utility shall adjust its bills rendered under a budget billing plan on the effective date for changing a provider and include the adjustments in the customer's next bill.
3. Upon enrollment of a distribution utility customer with an ESCO or return of an ESCO customer to full utility service, a distribution utility shall impose no restrictions on the number or frequency of changes of gas or electricity providers, except as provided in this paragraph. The distribution utility shall accept only one valid enrollment request for each commodity per customer during a switching cycle. If multiple requests are received for the same customer during a switching cycle, the distribution utility shall accept the first valid enrollment request and reject subsequent enrollment requests.
4. A distribution utility shall impose no charge for changing a customer's gas or electricity provider.
5. A distribution utility may establish a \$20 fee in its tariffs for a special meter reading.

## Attachment 1

**Telephonic Agreement  
and Authorization Requirements**

- A.** To enter into a telephonic agreement with a customer to initiate service and begin enrollment or to obtain customer authorization for release of information, an ESCO, or its agent, shall audio record the telephone conversation with the potential customer. The conversation shall contain the following information, as applicable, to substantiate the customer's agreement or authorization:
- 1.** A statement that the conversation is recorded and that oral acceptance of the ESCO's offer is an agreement to initiate service and begin enrollment;
  - 2.** A description of the prices, terms and conditions of the ESCO's offer;
  - 3.** A statement from the customer accepting such terms and conditions;
  - 4.** A description of the types of information that the ESCO needs to obtain from a distribution utility or MDSP and the purposes of its use, a request that the customer provide authorization for release of this information, and effective duration of the authorization;
  - 5.** A statement from the customer providing such authorization;
  - 6.** A statement that a customer will receive a written copy of the sales agreement by mail, e-mail or fax and that a residential customer may rescind the agreement within three business days after its receipt; a statement that a customer may rescind the authorization for release of information at any time; provision of a local or toll-free telephone number or e-mail address to the customer for these purposes; upon cancellation of the agreement, the ESCO shall provide a cancellation number to the customer during the telephone call or in response to an e-mail message;
  - 7.** A statement from the customer verifying the date and time of the telephone call; and
  - 8.** A statement from the customer providing or verifying the customer's name, postal and, any e-mail address (if the customer chooses to provide it), distribution utility customer account number, and any additional information needed to verify the customer's identity.
- B.** The ESCO, or its agent, shall provide a copy of any sales agreement to the customer by mail, e-mail or fax within three business days after the telephone agreement and authorization occurs. The sales agreement shall set forth the customer's rights and responsibilities and describe the offer in detail, including the specific prices, terms, and conditions of ESCO service.
- C.** The ESCO, or its agent, shall conduct the telephone conversation in the same language used in marketing or sales materials presented to the customer, and communicate clearly and in plain language.
- D.** An ESCO shall retain telephonic agreement and/or authorization records for no less than two years from the effective date of the agreement and/or authorization. In the event of any dispute involving a telephonic agreement or authorization, the ESCO shall make available the audio recording of the customer's agreement and/or authorization within five business days after a request from the DPS.

## Attachment 2

**Electronic Agreement and  
Authorization Requirements**

- A. To enter into an electronic agreement with a customer to initiate service and begin enrollment or to obtain customer authorization for release of information, an ESCO, or its agent, shall electronically record communications with the potential customer. An ESCO shall provide the following electronic information, as applicable, to substantiate the customer's agreement and/or authorization:
1. A statement that electronic acceptance of a sales agreement is an agreement to initiate service and begin enrollment;
  2. The sales agreement containing the prices, terms and conditions applicable to the customer; an identification number and date to allow the customer to verify the specific sales agreement to which the customer assents;
  3. A requirement that the customer accept or not accept the sales agreement by clicking the appropriate box, displayed as part of the terms and conditions; after the customer clicks the appropriate box to accept the sales agreement, the system shall display a conspicuous notice that the ESCO accepts the customer;
  4. Use of an electronic process that prompts a customer to print or save the sales agreement and provides an option for the customer to request a hard copy of the sales agreement; an ESCO shall send the hard copy by mail within three business days after a customer's request;
  5. A description of the types of information that the ESCO needs to obtain from a distribution utility or MDSP and the purposes of its use, a request that the customer provide authorization for release of this information, and effective duration of the authorization;
  6. A requirement that the customer agree or not agree to provide such authorization by clicking the appropriate box, displayed as part of the terms and conditions;
  7. A statement that a residential customer may rescind the agreement and authorization within three business days after electronic acceptance of the sales agreement; a statement that a customer may rescind the authorization for release of information at any time; provision of a local or toll-free telephone number, and/or an e-mail address for these purposes; upon cancellation of the agreement, the ESCO shall provide a cancellation number;
  8. Verification of the date and time of the electronic agreement and authorization; and
  9. Provision by the customer of the customer's name, address, distribution utility customer account number, and any additional information to verify the customer's identity.
- B. The ESCO shall, within three business days of any final agreement to initiate service to a customer, send an electronic confirmation notice to the customer at the customer's e-mail address.
- C. The ESCO shall use an encryption standard that ensures the privacy of electronically transferred customer information, including information relating to enrollment, renewal, re-negotiation, and cancellation.
- D. Upon request of a customer, the ESCO shall make available additional copies of the sales agreement throughout its duration. An ESCO shall provide a toll-free telephone number and e-mail address for a customer to request a copy of the sales agreement.
- E. An ESCO shall retain in a retrievable format for no less than two years from the effective date of the customer's acceptance and documentation of a customer's agreement and/or authorization. In the event of any dispute involving an electronic agreement or authorization, the ESCO shall provide a copy of the customer's acceptance of the sales agreement or and/or authorization for release of information or on-line access to the acceptance and/or authorization within five calendar days after a request from the DPS.

**Written Agreement and Authorization  
Requirements**

- A. An ESCO may enter into a written agreement (original or fax copy of a signed document) with a customer to initiate service and begin enrollment or to obtain customer authorization for release of information. A sales agreement shall contain the following information, as applicable:**
- 1. A statement that a signature on a sales agreement is an agreement to initiate service and begin enrollment;**
  - 2. A description of the specific prices, terms, and conditions of ESCO service applicable to the customer;**
  - 3. A description of the types of information that the ESCO needs to obtain from a distribution utility or MDSP, the purposes of its use, and effective duration of the authorization;**
  - 4. A statement that acceptance of a the agreement is an authorization for release of such information;**
  - 5. A customer signature and date; the sales agreement shall be physically separate from any check, prize or other document that confers any benefit on the customer as a result of the customer's selection of the ESCO;**
  - 6. A statement that a residential customer may rescind the agreement within three business days after signing the sales agreement; a statement that a customer may rescind the authorization for release of information at any time; provision of a local, toll-free telephone number, and/or e-mail address for these purposes; the customer may fax a copy of a signed sales agreement to the ESCO; upon cancellation of the agreement, the ESCO shall provide a cancellation number; and**
  - 7. The customer's name, mail and any e-mail address (if the customer chooses to provide it), distribution utility account number, and any additional information to verify the customer's identify.**
- B. ESCOs shall retain written agreements and/or authorizations for no less than two years from the effective date of the agreement and/or authorization. In the event of any dispute involving a sales agreement or authorization, the ESCO shall provide a copy of the sales agreement and/or authorization within five business days after a request from the DPS.**

**Enrollment and Drop Requests  
Information Requirements**

- A. An ESCO shall provide the following information for enrollment requests, and an ESCO or distribution utility shall provide the following information for drop requests:
1. Utility ID (DUNS# or tax ID);
  2. ESCO ID (DUNS# or tax ID);
  3. Commodity requested (electric or gas); and,
  4. Customer's utility account number (including check digit, if applicable).
- B. The following information is required for enrollment requests:
1. Customer's bill option;
  2. For distribution utility rate ready consolidated billing:
    - a. an ESCO's fixed charge, commodity price, sales and use tax rate or rate code;
    - b. ESCO customer account number;
    - c. budget billing status indicator; and,
    - d. tax exemption percent and portion taxed as residential.
  3. For Single Retailer Model: special needs indicator;
  4. For gas service: gas capacity assignment/obligation indicator, and, if applicable, gas pool ID, gas supply service options, and human needs indicator;
  5. For electric service: indicator for a partial requirements customer, if applicable;
- C. For drop requests:
1. Reason for the drop;
  2. For distribution utility request, service end date;
  3. For ESCO initiated request, effective date of customer move, if applicable;  
and
  4. For ESCO initiated request in Single Retailer Model, customer's service and mailing address.

**CUSTOMER INQUIRIES****A. Applicability**

This Section establishes requirements for responses by an ESCO or distribution utility to retail access customer inquiries. An ESCO or distribution utility shall respond to customer inquiries sent by means of electronic mail, telecommunication services, mail, or in meetings. The subjects raised in inquiries may result in the filing of complaints.

**B. General**

1. Distribution utilities and ESCOs shall provide consistent and fair treatment to customers.
2. Distribution utilities and ESCOs shall maintain processes and procedures to resolve customer inquiries without undue discrimination and in an efficient manner and provide an acknowledgement or response to a customer inquiry within 2 days and, if only an acknowledgement is provided, a response within 14 days.
3. Distribution utilities and ESCOs shall provide local or toll-free telephone access from the customer's service area to customer service representatives (CSRs) responsible for responding to customer inquiries and complaints.
4. CSRs shall obtain information from the customer to access and verify the account or premises information. Once verification is made, the CSR shall determine the nature of the inquiry, and, based on this determination, decide whether the distribution utility or the ESCO is responsible for assisting the customer.
5. The CSR shall follow normal procedures for responding to inquiries. If the inquiry is specific to another provider's service, the CSR shall take one of the following actions;
  - a. Forward/transfer the inquiry to the responsible party;
  - b. Direct the customer to contact the responsible party; or,
  - c. Contact the responsible party to resolve the matter and provide a response to the customer.
6. Each distribution utility and ESCO shall maintain a customer service group to coordinate and communicate information regarding customer inquiries and designate a representative to provide information relating to customer inquiries to the DPS.
7. ESCOs may provide a teletypewriter (TTY) system or access to TTY number, consistent with distribution utility tariffs.

**C. Specific Requests for Information**

1. A distribution utility or ESCO shall respond directly to customer inquiries for any information that is related to commodity supply and/or delivery service, to the extent it has the necessary information to respond.
2. The entity responsible for the accuracy of meter readings shall respond to customer inquiries related to usage.
3. The distribution utility and ESCO shall respond to customer inquiries about billing and payment processing, in accordance with UBP Section 9, Billing and Payment Processing.

**D. Emergency Contacts**

1. An emergency call means any communication from a customer concerning an emergency situation relating to the distribution system, including, but not limited to, reports of gas odor, natural disaster, downed wires, electrical contact, or fire.
2. The ESCO CSR shall transfer emergency telephone calls directly to the distribution utility or provide the distribution utility's emergency number for direct contact to the distribution utility. If no ESCO CSR is available, the ESCO shall provide for after-hours emergency contacts, including transfer of emergency calls directly to a distribution utility or an answering machine message that includes an emergency number for direct contact to the distribution utility.
3. Each ESCO shall provide periodic notices or bill messages to its customers directing them to contact the distribution utility in emergency situations and providing the emergency number.

**DISTRIBUTION UTILITY INVOICES****A. Applicability**

This Section establishes procedures for invoices of charges for services provided by the distribution utility directly to an ESCO or Direct Customer. A distribution utility and ESCO or Direct Customer may agree to establish other arrangements and procedures for presentation and collection of invoices for services rendered.

**B. Invoices**

1. An ESCO or Direct Customer shall pay the full amount due, without deduction, set-off or counterclaim, within 20 calendar days after the date of electronic transmittal or postmarked date (due date). Subsequent to the due date, charges are overdue and subject to late payment charges at the rate of 1.5% per month. The overdue charges include the amount overdue, any other arrears, and unpaid late payment charges. The distribution utility may provide, upon request, supporting or back-up data in electronic form, if available on its computer system.
2. A distribution utility shall provide interest at the rate of 1.5% on an overpayment caused by the distribution utility's erroneous billing, provided that it may, without applying interest, credit all or a portion of the overpayment to the next bill issued within 30 days and/or refund all or a portion of the overpayment, upon request, within 30 days after its receipt. The distribution utility shall refund any credit balances, upon request.
3. An ESCO or Direct Customer shall make payments by means of an electronic funds transfer. A distribution utility shall use any partial payments first to pay any arrears and second to pay current charges.

**C. Billing Inquiries and Disputes**

1. An ESCO or Direct Customer shall make any claims relating to inaccuracies of invoices in writing no later than 90 calendar days after the date of electronic transmittal or postmarked date. ESCOs and/or Direct Customers are responsible for payment of disputed charges during any pending dispute.
2. A distribution utility shall designate an employee and provide a telephone number and e-mail address for receipt of inquiries from an ESCO or Direct Customer relating to invoices. The employee shall direct an ESCO or Direct Customer that presents an inquiry or complaint to the responsible and knowledgeable person able to explain charges on an invoice.
3. A distribution utility shall acknowledge in writing receipt of an inquiry within five calendar days after its receipt. A distribution utility shall investigate and respond in writing to the inquiry within 20 calendar days after its receipt.
4. A distribution utility shall refund any overpayments, including interest, within five calendar days after it makes a determination that an ESCO or Direct Customer made an overpayment. It may provide the refund by applying a credit to any overdue amounts or making direct payment of any remainder. The distribution utility shall provide refunds by means of an electronic funds transfer. Interest is calculated at the rate of 1.5 % per month from the date of the overpayment to the refund.
5. No interest is required on overpayments voluntarily made by an ESCO or Direct Customer to an account, unless an overpayment is applied to security.

**DISPUTES INVOLVING  
DISTRIBUTION UTILITIES, ESCOs  
OR DIRECT CUSTOMERS**

**A. Applicability**

This Section describes the dispute resolution processes available at the DPS to resolve disputes relating to competitive energy markets involving utilities, ESCOs and/or Direct Customers, including disputes alleging anti-competitive practices. The processes are not available to resolve disputes between retail customers and ESCOs or distribution utilities. They are also not applicable to matters that, in the opinion of the DPS Staff, should be submitted by formal petition to the Public Service Commission for its determination or are pending before a court, state or federal agency. The availability of the processes does not limit the rights of a distribution utility, ESCO or Direct Customer to submit any dispute to another body for resolution.

**B. Dispute Resolution Processes**

The parties shall in good faith use reasonable efforts to resolve any dispute before invoking any of these processes. Distribution utility tariffs and operating and service agreements between the parties shall identify the processes used to resolve disputes, and shall refer to the dispute resolution processes described in this Section as acceptable processes to resolve disputes.

**1. Standard Process**

The parties shall use a method to send documents described in this paragraph that will verify the date of receipt.

Any distribution utility, ESCO or Direct Customer may initiate a formal dispute resolution process by providing written notice to the opposing party and DPS Staff. Such notice shall include a statement that the UBP dispute resolution process is initiated, a description of the dispute, and a proposed resolution with supporting rationale. DPS Staff may participate in the process at this or any later point to facilitate the parties' discussions and to assist the parties in reaching a mutually acceptable resolution.

- a. No later than ten calendar days following receipt of the dispute description, if no mutually acceptable resolution is reached, the opposing party shall provide a written response containing an alternative proposal for resolution with supporting rationale and send a copy to DPS Staff.
- b. No later than ten days after receipt of the response, if no mutually acceptable resolution is reached, any party or DPS Staff may request that the parties schedule a meeting for further discussions. The parties shall meet no later than 15 calendar days following such request, upon advance notice to DPS Staff, unless the parties and DPS Staff agree upon another date. The DPS may assign one or more Staff members to assist the parties in resolving the dispute.
- c. If no mutually acceptable resolution is reached within 40 calendar days after receipt of the written description of the dispute, any party may request an initial decision from the DPS. A party to the dispute may appeal the initial decision to the Public Service Commission.

- d. If the parties reach a mutually acceptable resolution of the dispute, they shall provide to DPS Staff a description of the general terms of the resolution.

2. Expedited Process

In the event that an emergency situation arises to justify immediate resolution of a dispute, any party may file a formal dispute resolution request with the Secretary to the Public Service Commission asking for expedited resolution. An emergency situation includes, but is not limited to, a threat to public safety or system reliability or a significant financial risk to the parties or the public. The filing party shall provide a copy of the request to other involved parties and the DPS Staff designated to receive information related to dispute resolution under this Section. The request shall describe in detail the emergency situation requiring expedited resolution, state in detail the facts of the dispute, and, to the extent known, set forth the positions of the parties.

## BILLING AND PAYMENT PROCESSING

### A. Applicability

This Section establishes requirements<sup>11</sup> for billing and payment processing options offered by a distribution utility and ESCO in a multi-retailer model. This Section does not establish requirements for billing and payment processing in the single retailer model. A distribution utility and ESCO shall comply with the requirements established in this Section, unless they agree upon modifications or other procedures for billing and payment processing in a Billing Services Agreement.

### B. Billing and Payment Processing Options: General Requirements

1. A distribution utility shall offer to ESCOs without undue discrimination the billing and payment processing options available in its service territory.
2. A customer participating in a retail access program shall select from the billing and payment processing options offered by ESCOs.
3. A distribution utility shall allow its customers to select, through their ESCOs, one of the billing and payment options available in the distribution utility's service territory.
4. An ESCO may offer to its customers billing and payment processing options available in the customer's service territory and shall maintain or provide for the capability of issuing a separate bill for its services under the dual billing option. An ESCO customer may direct the billing party to send its consolidated bills or dual bills to a third party for processing and payment.
5. A distribution utility or ESCO may perform the responsibilities of a billing party for a customer and the other provider (non-billing party) based upon the billing and payment processing options available to the customer and the customer's choice.
6. A distribution utility or MDSP shall make validated usage information available to the billing and non-billing parties at the time that the distribution utility or MDSP determines that the information is
7. Information on customer usage, billing, and credit is confidential. A distribution utility or MDSP may release such information, upon a customer's authorization, in accordance with the UBP Section 5, Changes in Service Providers.
8. A distribution utility and ESCO shall demonstrate the technical capability to exchange information electronically for their billing and payment processing options.
9. An ESCO shall provide 60 calendar days notice by mail, e-mail or fax to a distribution utility of any plan to offer a billing option that is not currently offered to its customers. The distribution utility may agree to a shorter notice period preceding initiation of the option. The 60 calendar-day notice shall not impose any obligation on any party to proceed without a successful test of data exchange capability and the fulfillment of other obligations described in this Section. If an ESCO later changes its system, it shall provide adequate advance notice and conduct any additional testing required.
10. A distribution utility and an ESCO are responsible for separately remitting their tax payments to the appropriate taxing authorities.

### C. Consolidated Billing: General Requirements

---

<sup>11</sup> The requirements are applicable when EDI is available upon issuance by the Commission of data standards applicable to a bill model and operational upon successful completion of the testing required for a bill model.

<sup>12</sup> A distribution utility or MDSP shall provide electronic interval data in summary form (billing determinants aggregated in the rating periods under a distribution utility's tariffs) via EDI and, if requested, in detail via an acceptable alternative electronic format if retrieved from meters.

1. A distribution utility and ESCO shall establish in a BSA detailed expectations for their responsibilities, including consequences for any failure to carry out such responsibilities.
2. A distribution utility may use the bill ready or rate ready method<sup>13</sup> for issuing consolidated bills. An ESCO that offers consolidated billing shall use a bill ready method.
3. A customer receiving delivery service from a distribution utility that is a combination natural gas and electric corporation (combination retail access customer) may receive a consolidated bill for both energy services if:
  - a. The distribution utility issues the consolidated bill;
  - b. One ESCO supplies the customer with both natural gas and electricity;
  - c. An ESCO supplying only one of the commodities agrees to bill for charges for the service provided by the other ESCO; or,
  - d. Separate distribution utility accounts are established for each service.
4. A combination retail access customer may receive separate consolidated bills for each commodity or a dual bill for one commodity and a consolidated bill for the other provided that the distribution utility's system is capable of providing separate accounts for each commodity. A distribution utility shall establish bill cycles and payment due dates. A distribution utility may charge a fee, as set forth in its tariff, to an ESCO to establish, upon the ESCO's request, a separate account for one of the commodities the distribution utility provides.

#### D. Consolidated Billing: Functions and Responsibilities

1. A billing party shall perform the following functions and responsibilities:
  - a. If the bill ready method is used, receive bill charges and other billing information from the non-billing party;
  - b. If the rate ready method is used, receive rates, rate codes and/or prices (fixed and/or variable) and other billing information from the non-billing party;
  - c. Receive bill messages and bill inserts from the non-billing party;
  - d. If the bill ready method is used, acknowledge receipt of the non-billing party's information and accept or reject it;
  - e. If the rate ready method is used,<sup>14</sup> calculate billed charges, including sales and use taxes; the non-billing party is required to provide the customer's sales and use tax rate to the billing party;
  - f. Print or make available electronically consolidated bills that state the non-billing party's charges, including taxes, arrearages, late fees, and bill messages;
  - g. Insert in bill envelopes consolidated bills and inserts required by statute, regulation or Public Service Commission order;
  - h. Stamp, sort and mail consolidated bills or, if authorized, transmit bills electronically;
  - i. Cancel and rebill charges;
  - j. Notify the non-billing party of amounts billed, by account, within two business days after rendering bills to customers;
  - k. Receive and record customer payments;
  - l. Allocate and transmit the non-billing party's share of receipts, by account, to the non-billing party;

<sup>13</sup> A distribution utility electing the rate ready method for utility consolidated billing is not obligated to calculate or bill separately for other goods and services that an ESCO may provide.

<sup>14</sup> A distribution utility is not required to calculate or bill for ESCO services that are not directly related to the commodity it delivers.

- m. Respond to general inquiries and complaints about the bill and its format; refer customers to the non-billing party for inquiries and complaints related to the non-billing party's rates, charges, services, or calculations; and,
  - n. Maintain records of billing information, including amounts collected, remaining and transferred, and dates.
2. If the bill ready method is used, each party shall calculate and separately state sales and use taxes applicable to its charges; if the rate ready method is used, the billing party shall calculate and separately state the state sales and use taxes applicable to its charges and the non-billing party's charges.
  3. A party that requires a customer's deposit shall administer it. If a non-billing party applies a customer deposit to an outstanding balance, it shall notify the billing party.
  4. Upon receipt of payments, a non-billing party shall notify the billing party.
  5. To initiate consolidated billing using the rate ready method, the non-billing party shall provide the billing party with the rates, rate codes, and/or prices (fixed and/or variable) and tax rates necessary to calculate the non-billing party's charges. The billing party shall specify in the BSA the number of prices for each service class per commodity accepted, deadline for transmission, effective date, and acceptable frequency of changes.<sup>15</sup>
  6. The billing party may process special handling requests from customers provided that it obtains agreement from the non-billing party for requests that affect it;
  7. The billing party is not required to calculate or provide separate statements to customers regarding gross receipts taxes applicable to a non-billing party's charges. The non-billing party may calculate and provide information on the gross receipts taxes applicable to its charges in a bill message or, if the bill ready method is used, as a line item on the bill.
  8. The non-billing party may offer special billing features, such as budget billing or average payment plans.

**E. Consolidated Billing: Initiation, Changes or Discontinuance**

**1. Initiation**

- a. An ESCO that proposes to issue consolidated bills shall establish and provide to a distribution utility written procedures for billing and payment processing that ensure billing accuracy and timeliness, proper distribution of a distribution utility's bill messages and inserts, and proper allocation and transfer of distribution utility funds.
- b. No distribution utility may impose a fee on an ESCO to process its application to offer consolidated billing.

**2. Changes**

A request to change a customer's billing option shall be made on or before 15 calendar days prior to the scheduled meter reading date.

---

<sup>15</sup> If a billing party's billing system is capable of providing the service, a billing party shall, upon request, apply a different rate, rate code, and/or price and tax rate to usage during different portions of the billing cycle to service provided after the effective date of the change. The non-billing party shall request a change in the rate, rate code, and/or price no later than four business days prior to the effective date requested.

### 3. Suspension and Discontinuance

- a. A distribution utility may suspend or discontinue an ESCO's right to offer consolidated billing as a billing party or a non-billing party for failure to comply with a Billing Services Agreement. Suspension of the right to offer consolidated billing means that the ESCO is prohibited from offering consolidated billing to new customers.
- b. Upon a determination by a distribution utility to suspend or discontinue an ESCO's right to offer consolidated billing to customers, it shall provide notice on or before 15 calendar days prior to the proposed date for the suspension or discontinuance (cure period) to the ESCO and state the reason for its determination. Upon failure of the ESCO to correct the deficiency on or before the expiration of the cure period, the distribution utility may require a change to dual billing for the ESCO's customers.
- c. Upon discontinuance of consolidated billing rights, an ESCO may reapply to the distribution utility to offer consolidated billing. A distribution utility shall expedite consideration of such requests. Customers may begin receiving consolidated bills again after requirements are satisfied, including submission of transaction requests to establish consolidated billing for customers.

#### F. Consolidated Billing: Customer Requests

1. A customer may request an ESCO to change its billing option. The ESCO shall request the bill option change on or before 15 calendar days prior to the scheduled meter reading date. An EDI change request is used to request a change in a customer's bill option. After receipt of the change request, a distribution utility shall, within one business day, acknowledge receipt of the request and, within two days, provide a response indicating rejection and the reason or acceptance and the effective date.
2. No distribution utility may impose a charge on a customer or an ESCO for changing a billing option.
3. When more than one request to change a customer's billing option is transmitted for a billing cycle, a billing party shall accept the last timely request received.
4. A distribution utility may deny a request to initiate consolidated billing or discontinue consolidated billing for a customer with an amount past due for at least 38 calendar days, unless the past due amount is subject to a DPA and the customer is fulfilling DPA obligations.

#### G. Consolidated Billing: Content

1. A billing party may decide upon the format for its consolidated bill provided that it states a summary of total charges and separately states distribution utility and ESCO charges in sufficient detail to allow a customer to judge their accuracy. Such separate statements shall appear in clearly separated portions of the bill and identify their source, distribution utility or ESCO. An ESCO that provides consolidated billing shall state on its consolidated bill the unadjusted distribution utility charges for delivery services provided by a distribution utility, without change.
2. A consolidated bill shall contain the information listed in Attachment 1 – General Information, preferably in a summary section. The billing party may place the information on the bill in any order or location.
3. A consolidated bill shall contain the information listed in Attachment 2 – Distribution Utility Content, separately stated for each distribution utility.
4. A consolidated bill shall contain the information listed in Attachment 3 – ESCO Content, separately stated for each ESCO.
5. If the rate ready method is used, the ESCO shall provide to the distribution utility information listed in Attachment 3 – ESCO Section Content, to the extent necessary for the distribution utility to calculate and issue bills. To initiate utility consolidated billing using the rate ready method, an ESCO shall provide the information to the distribution utility on or before 15 calendar days prior to

- the scheduled meter reading date. An ESCO may request a price or rate change no later than four business days prior to its effective date.
6. If a billing party and non-billing party agree to show the non-billing party's logo on the bill, the non-billing party shall provide it in an acceptable electronic format at least thirty days before its initial use.
  7. If the rate ready method is used, a non-billing party is not required to provide information after it is initially submitted, except when a change is made.
  8. When an ESCO issues a consolidated bill and the distribution utility transmits bill ready data, the distribution utility shall transmit to the ESCO at the appropriate time the applicable information listed in Attachment 2 – Distribution Utility Content, items d – q, and the customer's name and service address.
  9. When an ESCO issues consolidated bills on behalf of other ESCOs and distribution utilities and the other ESCOs provide information, the non-billing ESCOs shall provide bill ready information listed in Attachment 3 – ESCO Content to the billing ESCO.
  10. No party shall engage in cramming.
  11. A non-billing party may display its bill messages up to 480 characters in length on the bill provided that the billing party raises no reasonable objection to the message. There is no limit in message length for the billing party. If the bill ready method is used, the non-billing party shall transmit the text of the messages or agreed upon message codes in the same EDI transaction as the billed charges. If the rate ready method is used, a non-billing party shall submit a common bill message on or before 15 calendar days before the date used. Unless a final print date is provided, the billing party shall continue to print the message on bills until the non-billing party transmits a different message or requests its discontinuance. In emergencies requiring printing of messages on bills, the billing party shall accommodate the needs of the non-billing party, if practicable.
  12. The billing party shall, in a timely manner, print on bills or insert into bill envelopes information that a statute, regulation, or Public Service Commission order requires a distribution utility or ESCO to send to its customers. The billing party may not assess charges for inclusion of required inserts that do not exceed one-half ounce. A distribution utility may charge for any excess weight in accordance with its tariff. The party responsible for providing the information shall submit it to the billing party. If the information is provided in a bill insert, the responsible party shall deliver the inserts in preprinted bulk form in a proper size on or before 15 calendar days before the date requested for initiation of distribution to customers to a location designated by the billing party.
  13. Due dates and other general payment terms and conditions shall be identical for distribution utility and ESCO charges, unless different terms and conditions would have no impact on them. In the event of a conflict, the distribution utility's payment terms and conditions shall govern.

#### H. Consolidated Billing: Bill Issuance

1. No late charge may be applied to customers' bills for distribution utility charges, if payment is received by the billing party within the grace period.
2. If the bill ready method is used, the non-billing party shall transmit its charges and other information to the billing party on or before two business days after receipt of valid usage data for a customer account. If the rate ready method is used, the non-billing party shall transmit any revisions in rate and/or price data to the billing party on or before four business days prior to the prescribed date.
3. If the bill ready method is used, a billing party that receives a non-billing party's transaction within the prescribed time and rejects the transaction for cause shall, within one business day after receipt of the transaction, send the non-billing party an EDI reject transaction and state the reason for the rejection. The non-billing party may, if time permits, submit a corrected file containing billing charges for inclusion in the current billing statement.
4. If a non-billing party's transaction is sent to the billing party outside the prescribed time frame, the billing party may reject the transaction and shall notify the non-billing party on or before two business days after its receipt that the charges were not billed. The non-billing party may resubmit its charges the following billing period in accordance with prescribed time limits and without late charges. If the bill ready method

is used, the non-billing party may submit a separate bill to the customer and notify the billing party of the action. The parties may also agree that the billing party shall hold the non-billing party's charges for inclusion in the next bill.

5. If a non-billing party's transaction is accepted using the bill ready method, the billing party shall render a bill within two business days after receipt of the transaction. If a rate ready method is used, a billing party shall render a bill in accordance with the distribution utility's regular bill issuance schedule. A bill is rendered upon transfer to the custody of the U.S. Postal Service or other delivery service or, if authorized by a customer, sent electronically to a valid e-mail address or telefax number, displayed on a secure web site, or presented directly to the customer or customer's representative.
6. If the billing party has not purchased a non-billing party's accounts receivable, is able to process the non-billing party's transaction, and is unable to render a bill within the prescribed time, the billing party shall notify the non-billing party immediately. A billing party shall afford customers the same grace period to pay the bill.
7. If the rate ready method is used, the billing party shall provide to the non-billing party within two business days after bill issuance, a statement of the accounts billed, date of issuance and amount of the non-billing party's charges shown on the bill (past due, current, and late payment charges and taxes).

#### I. Consolidated Billing: Cancellations and Rebills

1. If non-billing party errors occur and are not corrected before the bill is issued, a billing party is not required to cancel bills or issue new bills. The non-billing party shall provide any necessary explanations to the customer and billing party and make any necessary adjustments on the next bill.
2. If billing party errors cause the non-billing party charges to miss the billing window, the billing party shall cancel and reissue the bills within two business days after notification, unless the billing party and non-billing party arrange an alternative bill correction process.<sup>16</sup> A billing party shall afford customers the same grace period to pay bills.
3. If no party errs, the parties may agree to cancel and rebill.
4. To cancel a bill, a billing party shall:
  - a. Cancel usage by billing period;
  - b. Send consumption in the cancel transaction that matches consumption sent in the original transaction;
  - c. Send cancelled usage at the same level of detail as the original usage;
  - d. Using the rate ready method, if a bill is to be cancelled and reissued, recalculate charges and issue revised bills to customers within two business days after receipt of the revised usage data;
  - e. Using the bill ready method, if a bill is to be cancelled and reissued, issue the revised bill to customers within two business days after receipt of the revised usage data.
5. To restate usage for a period, the distribution utility or MDSP shall first cancel usage for that period and then send the full set of restatement transactions.

#### J. Consolidated Billing: Payment Processing and Remittance

1. The parties shall set forth their responsibilities, performance parameters, financial arrangements and other details associated with payment processing and remittance in a BSA, subject to the requirements in this Section.

<sup>16</sup> Such errors do not include usage-related adjustments necessary when an actual meter reading becomes available to replace an estimated reading required, for example, because a customer denies access to a meter.

- a. In the Pay-as-You-Get-Paid Method, the billing party sends payments to the non-billing party, within two business days of receipt and posting of the funds and processes the payments in accordance with the required priority for application of payments established in this Section.
- b. A BSA shall establish procedures for processing payments made on any purchased accounts receivable.

## 2. Payment Processing

- a. The billing party shall notify the non-billing party that payment is received and send payments to the non-billing party, within two business days after receipt and posting, by use of Electronic Funds Transfer (EFT), Automated Clearing House (ACH), or similar means to banks or other entities as agreed upon by the parties. The notice shall include, in account detail, the payments received from customers, the date payments are posted, the date payments are transferred, and the amounts allocated to the non-billing party's charges.
- b. The billing party may impose late payment charges on unpaid amounts not in dispute for the non-billing party provided the terms of the late payment charges are stated in a tariff or a sales agreement and previously disclosed to the customers. If the bill ready method is used, each party shall calculate its late payment charges. If the rate ready method is used, the billing party shall calculate the non-billing party's late payment charges under terms agreed upon by the parties. If a customer's check is returned for any reason, the billing party may charge the customer's account for the return fee and any reasonable administrative fee.
- c. Upon failure of the billing party to pay the non-billing party its proper share of customer payments within two business days after their receipt and posting or at the time agreed upon when accounts receivable are purchased, the billing party shall pay interest on the unremitted amount. The billing party shall calculate the interest at the rate of 1.5 percent per month from the date the payment was due to be received by the non-billing party or its bank.<sup>17</sup> The payment of interest is in addition to, and not in lieu of, the rights and remedies otherwise available to the parties.

## 3. Collections

The billing party is not responsible for collection of non-billing party funds, unless agreed to in a BSA.

## 4. Application of payments

- a. The billing party<sup>18</sup> shall allocate customer payments to the following categories of charges on the bill or contained in a notice that are not in dispute in this order of priority of payment: (1) amounts owed to avoid termination, suspension or disconnection of commodity or delivery service; (2) amounts owed under a DPA, including installment payments and current charges; (3) arrears; and (4) current charges not associated with a DPA.. The billing party shall pro-rate payments to the charges within each category in proportion to each party's charges in that category. After satisfaction of the charges in a category, assuming available funds, the remainder of the payment shall apply to the next highest category according to the priority of payments and in the same manner as described above until the payment is exhausted.

<sup>17</sup> Upon request, the billing party shall provide the non-billing party with a verified copy of the posting log of payments received and transferred to the non-billing party during any calendar month specified by the non-billing party.

<sup>18</sup> Distribution utilities supplying delivery service for both natural gas and electricity to customers receiving consolidated bills shall apply the receipts to the separate services in accordance with their regular procedures. Where a consolidated bill displays delivery charges for separate gas and electric distribution utilities, the customer's payments shall be first prorated between the utility accounts in accordance with the amount each is due compared with the total amount due both distribution utilities.

- b. The billing party may retain any payment amounts in excess of the amounts due as prepayments for future charges or return the excess amounts to customers. The billing party shall, in a timely manner, combine any excess payment amounts with the customer's payment on the next bill, and allocate and pro-rate the sum as set forth in 9.J.4.a.<sup>19</sup>
- c. When the billing or non-billing party enters into a multi-month payment agreement with a customer or waives any charges, that party shall notify the other party of such action.
- d. The billing party shall hold payments received without account numbers or enough information for the billing party to identify the accounts and attempt to obtain information to identify the payer. If sufficient information is not obtained to identify the account information prior to the next bill, the billing party shall present the unpaid amount and late charge, if applicable, on the bill. If the customer contacts the billing party to inquire about the late charge and the lack of payment credit, the billing party shall resolve the matter and reverse the late charges. The billing party shall notify the non-billing party of the matter and its resolution and then allocate payments as necessary to balance the account.

#### 5. Multiple Account Payment Processing

Processing of a single customer payment for multiple accounts requires proactive action on the part of the billing party and the non-billing party to apply payments correctly. The parties shall set forth arrangements for multiple account payment processing in a Billing Services Agreement.

#### 6. Non-billing Party's Balance

- a. Except as provided in §9.J.6(d), when a final bill is issued, the billing party shall maintain a current and past due balance for each account of the non-billing party until payment of the last bill issued for service provided by the non-billing party or 23 days after issuance of such bill, whichever is sooner. After such time, the account shall be considered "inactive."
- b. Except as provided in §9.J.6(d), a customer's change to a new ESCO, the billing party shall continue to receive and apply a customer's payments for the active account of the prior ESCO. If the customer does not pay the outstanding balance owed to the prior ESCO on or before 23 days after the final bill containing the prior ESCO's charges is issued, the billing party shall notify the ESCO and report the balance due.
- c. With regard to a new distribution utility/ESCO relationship following a change of ESCOs or a change in a distribution utility, the new billing party shall, upon request of the new non-billing party, bill for the balances that may exist at the time of the change. The new billing party may include the arrears on current bills or in a separate bill if its billing system is not capable of accepting prior charges. If a change of providers occurs, a distribution utility is not required to post any arrears of the prior ESCO on consolidated bills issued after the final billing of its charges, unless the arrears become the property of the new ESCO and it provides documentation of its property right to the distribution utility.
- d. Upon ESCO termination of the commodity supply of a residential customer due to failure to pay charges, the billing party shall maintain a current and past due balance for the account of the terminating ESCO for one year from the date of termination by the ESCO. In the event that the terminating ESCO seeks suspension of delivery service within one year of the termination, or the residential customer has a DPA, the billing party shall maintain a current and past due balance for each account of the terminating ESCO until the arrears are paid in full.

---

<sup>19</sup> Where the customer elects to make a charitable donation, such as funding a low income program, satisfaction of the donation shall be made prior to allocation and pro-ration of the customer's excess payment.

**7. Customer Disputes: Initiating a Bill Complaint**

- a. A customer or authorized representative may initiate a customer complaint regarding some or all of the charges on the customer's bill at any time.
- b. When a complaint relates to the entire bill, to only the billing party's charges or services, or, using the rate ready method, to calculation of the billing or non-billing party's charges, the customer should contact the billing party. The billing party shall resolve the complaint and, if appropriate, place the customer's account in dispute. In the event the inquiry concerns only a non-billing party's bill, charges, services, or calculations, the billing party shall refer the customer to the non-billing party.

**8. Customer Complaints: Notification**

- a. Upon a determination that a complaint affects the entire bill, the billing party shall notify the non-billing party of the subject and amount in dispute, if known.
- b. The non-billing party shall inform the billing party of disputes related to non-billing party charges that would affect the billing process.
- c. Once such complaints are resolved and the billed amounts are no longer in dispute, the other party shall be notified.

**K. Consolidated Billing: Call Centers**

A billing party shall provide call centers with toll-free or local telephone access available 24 hours a day and an answering machine or voice mail service during the hours when call center staff is not available. A billing party shall maintain adequate staff to respond to customers' inquiries or refer inquiries to the non-billing party, where appropriate, within two business days.

**L. Dual Billing**

1. The distribution utility and ESCO, acting as separate billing parties, shall render separate bills directly to the customer or the customer's representative. The customer or its representative shall pay the distribution utility and the ESCO separately.
2. The distribution utility's bill shall conform to the standards set by the Public Service Commission.
3. The distribution utility or MDSP shall transmit usage data to the ESCO at the time the information is available for rendering bills to customers, which may or may not coincide with meter reading cycle dates.
4. The ESCO may decide upon its bill format provided that it states its charges in sufficient detail to allow customers to judge the accuracy of their bills. At a minimum, an ESCO shall provide the following information:
  - a. Customer's name and billing address and, if different, service address;
  - b. Customer's account number or ID;
  - c. Period or date associated with each product or service billed;
  - d. Name of the entity rendering the bill;
  - e. Address to which payments should be sent or the location where payments may be made;
  - f. Local or toll free number for billing inquiries; if an ESCO enrolls and communicates with customers electronically, an e-mail address and telephone number with area code;
  - g. Due date for payment and a statement that late payment charges shall apply to payments received after the due date; and
  - h. Amount and date of payments received since the last bill.

5. Whenever a distribution utility or MDSP cancels consumption for an account, it shall provide a notice of cancellation and restated billing parameters for the account to an ESCO and a distribution utility, if applicable, and shall:
  - a. Cancel usage by billing period;
  - b. Send consumption in the cancel transaction that matches consumption sent in the original transaction;
  - c. Send cancelled usage at the same level of detail as the original usage; and,
  - d. To restate usage for a period, cancel usage for that period and send the full set of billing parameter restatements.

General Information

- a. **Customer name**
- b. **Service address**
- c. **Billing address, if different than service address**
- d. **Billing party account number, if any**
- e. **Start of billing cycle period (prior meter reading date for metered customers)**
- f. **Starting period meter reading (for metered customers)**
- g. **End of billing cycle period (current meter reading date for metered customers)**
- h. **Ending period meter reading (for metered customers)**
- i. **Billing period metered usage, any multiplier necessary to convert usage to billing units and resulting billing units (for metered customers)**
- j. **Billing period demand, if applicable**
- k. **Indicators, if usage is estimated, actual or customer provided**
- l. **Total current charges (total of billing and non-billing party charges, including late charges and taxes)**
- m. **Total prior billed charges (total of billing and non-billing party prior bill charges, including prior late charges and taxes)**
- n. **Total credits since last bill (total of billing and non-billing party credits);**
- o. **Date through which the credits are applied**
- p. **Total current bill (total of billing and non-billing party charges plus prior bill charges less credits)**
- q. **Billing party name (and billing party logo, if billing party wishes it shown)**
- r. **Billing party address**
- s. **Billing party toll-free or local telephone number, and for a billing party that enrolls and communicates electronically with customers, an e-mail address and telephone number with area code, in lieu of a toll-free or local telephone number**
- t. **Distribution utility toll free-or local telephone number and emergency telephone number**
- u. **Method and location for payments**
- v. **Date of bill**
- w. **Payment due date**
- x. **Billing party messages of any length that apply in general to the bill and services provided by billing and non-billing parties, that are not reasonably objectionable to the parties**

Distribution Utility Content

- a. **Distribution utility name, and logo, if the parties agree**
- b. **Distribution utility address, if the distribution utility is not the billing party**
- c. **Distribution utility toll-free or local telephone number for inquiries about the distribution utility portion of the bill, if the distribution utility is not the billing party, and distribution utility emergency number**
- d. **Distribution utility customer account number, if the distribution utility is not the billing party**
- e. **Distribution utility rate classification identifier**
- f. **Distribution utility rates per billing unit, if applicable**
- g. **Distribution utility rates not based on billing units, if applicable, and unbundled, if applicable**
- h. **Distribution utility charge adjustments and adders, separately stated**
- i. **Taxes on distribution utility charges, if separately stated**
- j. **Billing period total distribution utility charges**
- k. **Prior billing period total distribution utility charges, including any prior late charges**
- l. **Credits on prior distribution utility charges**
- m. **Net prior distribution utility balance remaining, unless included in total prior billed charges stated in the General Information Section**
- n. **Late charge for unpaid prior distribution utility balance, unless included in total prior billed charges stated in the General Information Section**
- o. **Total amount due for distribution utility services**
- p. **If a budget bill, applicable billing information and resulting budget bill amount due for distribution utility services**
- q. **The distribution utility's bill message, if any, up to 480 characters, if the distribution utility is not the billing party**

ESCO Content

- a. **ESCO name and logo, if parties agree**
- b. **ESCO address, if the ESCO is not the billing party**
- c. **ESCO toll-free or local telephone number for billing inquiries if the ESCO is not the billing party; ESCOs that enroll and communicate electronically with customer may provide an e-mail address and telephone number with area code in lieu of a toll-free or local telephone number; if a rate ready method is used, the billing party shall include a notice directing ESCO customers to call the billing party first to clarify bill calculations**
- d. **ESCO account number, if the ESCO is not the billing party and has a unique account number**
- e. **ESCO rate classification, if applicable**
- f. **ESCO rate per billing unit, if applicable**
- g. **ESCO rate not based on distribution utility unit, if applicable**
- h. **ESCO charge adjustments and adders, if any, separately stated**
- i. **Taxes on ESCO charges, if required to be separately stated**
- j. **Billing period total ESCO charges**
- k. **Prior billing period total ESCO charges, including any prior late charges, unless included in total prior billed charges stated in the General Information Section**
- l. **Credits on prior ESCO charges**
- m. **Net prior ESCO balance remaining**
- n. **Total amount due for ESCO services**
- o. **If a budget bill, applicable billing information and resulting budget bill amount due**
- p. **The ESCO's bill message, if any, up to 480 characters, if the ESCO is the non-billing party.**