

V. (1) Exhibit to Billing and Payment: Billing Services Agreement for Consolidated Billing

A. INTRODUCTION

The Billing Service Agreement (“BSA”)¹ outline has been developed to support the needs identified in the Billing and Payment section of the Uniform Business Practice (“UBP”) report. The assumption is that a BSA would be a legal document executed between the billing and non-billing parties whenever consolidated billing is provided to a Customers. The Applicable Regulatory Authority would review and approve the standard document, if applicable. It is recommended that the BSA, when required, be incorporated into the Master Service Agreement² as an appendix, along with other commitments between the Supplier and the Utility. Therefore, the attached version of the BSA does not contain a section for standard legal terms and provisions that are provided for in the Master Service Agreement. If the BSA were to be a stand-alone document, it would be necessary to add this section to the document.

B. BILLING SERVICE AGREEMENT OUTLINE

1. PREFACE

- a. General description of the agreement
- b. Scope and relationships with other documents (e.g., Supplier Tariff)
- c. Regulatory approval, if required.

2. OVERVIEW AND SELECTIONS

- a. Selection of consolidated billing option(s) [Supplier or Utility Type]
- b. Selection of payment processing options(s) as made available by the Billing Party per billing option [Purchase Receivables or Pay As You Get Paid]
- c. Definition of terms

¹ The BSA outline provides market participants with a framework from which to create a jurisdiction-specific service agreement based on the structure, rules and governing documents of the jurisdiction. This outline is not intended to be a formal, legal document that dictates the terms and conditions of the contractual relationship between a Utility and Supplier. Terms of the ultimate document will reflect the structure of a particular retail market.

² Master Service Agreement defined in the UBP Manual section entitled: “MARKET PARTICIPANT INTERACTIONS: GOVERNING DOCUMENTS, CREDITWORTHINESS AND PERFORMANCE STANDARDS”

3. BILLING OBLIGATIONS AND OPTIONS

a. Standard

(1) Detail relevant terms and conditions between the two (2) parties specified contractually in the consolidated billing option [e.g., Billing Party (“BP”) obligations, Non-Billing Party (“NBP”) obligations, Accuracy of NBP charges]
[D.Intro]

(2) For selected payment processing method, detail responsibilities for billing, including: performance parameters, financial arrangements, and other details (e.g., bill insert, timing on receiving NBP charges)
[D.2.a]

b. Optional

(1) Detail responsibilities for non-standard billing arrangement to be provided to the NBP by the BP for Industrial and Commercial (“I&C”) Customers (e.g., issue bills on non-standard cycle)
[D.1.b.2]

(2) Detail responsibilities for non-energy charges (e.g., billing for HVAC services)
[D.2.a]

4. PAYMENT OBLIGATIONS AND OPTIONS

a. Standard

(1) For selected payment processing method, detail terms and responsibilities for payment of the NBP by the BP, including: performance parameters, financial arrangements, creditworthiness, notifications of Customers dispute and other details (e.g. forms of payment)
[D.2.a]

(2) Detail the level of uncollectibles to be reflected in the amount due for Purchased Receivables method, if applicable.
[D.2.c.2]

b. Optional

(1) Detail responsibilities for special payment features that affect both parties (e.g., budget billing)
[D.1.f]

(2) Detail agreement and terms when BP provides payment arrangements to a Customers on behalf of the NBP (e.g., terms for payment by Customers in arrears)
[D.2.d.3]

(3) Detail agreement and terms for the BP to apply and collect Late Payment Charges (“LPC”) for the NBP (e.g., finance charge applied on behalf of NBP by BP)
[D.2.b.9.a]

(4) Detail conditions to change to level of uncollectibles to be reflected in the amount due for Purchased Receivables method.
[D.2.c.1]

5. COLLECTION OBLIGATIONS AND OPTIONS

a. Standard

(1) Detail activities related to the collection actions to be taken if provided by the BP (e.g., apply LPC after 30 days, letter to Customers after 60 days)
[D.2.b.9.a]

(2) For selected payment processing method, detail responsibilities for remittance, including: performance parameters, financial arrangements, and other details (e.g., payment advice within 2 days)
[D.2.a]

(3) Detail terms and conditions for the BP to carry forward arrears for inactive NBP on an active Customer’s bill (e.g., BP will carry charges for inactive NBP on bill for 60 days)
[D.2.b.8.a]

(4) Detail the threshold for overdue payments and identified delinquencies that can result in the conversion of the Customers to dual billing (e.g., Customers overdue by 60 days and the BP converts to dual billing)
[D.2.b.3]

b. Optional

(1) Detail activities related to the collection of overdue funds if not provided by the BP (e.g., NBP is responsible for all collections of NBP charges)
[D.2.b.9.d]

(2) Special arrangements for collection of funds by the BP

6. SERVICE LEVEL AND REMEDIES

a. Detail expectations for performance and responsibilities of each party, including remedies for failure to meet obligations (Events of Default) (e.g., NBP calls for change due to BP performance)
[D.Intro]

b. Detail terms and conditions for the BP to pay NBP interest if the undisputed charges are due and not paid in the appropriate time frame
[D.2.b.4]

- c. Provisions for Audits, including:
 - (1) Payment priority application verification
 - (2) Bill verification
- d. Detail the terms of payment for services rendered
- e. Detail on payment timing and methods between parties

7. MISCELLANEOUS

Detail agreement and expectations for providing access to current payment information by the BP to the Utility to avoid physical disconnection for nonpayment in error.