

Welcome to PSE&G's Third Party Supplier Gas Workshop



Objective

- To communicate essential information to Third Party Suppliers about participating in Gas Choice with PSE&G in New Jersey
- To provide process requirements so Third Party Suppliers can effectively do business with PSE&G in the new EDI environment
- Answer your questions

Retail Business Services

Third Party Supplier Support

TPS Support

➤ Business Relationship

- Responsible for relationship management and front ending all interactions between Third Party Suppliers and PSE&G
- Commodity scheduling and balancing continues to be is handled by Fuel Supply Department

TPS Support

- Organizational Structure
 - Dedicated, technically competent group who will interact with Third Party Suppliers
 - Built around the one phone number/one phone call concept

TPS Support

- Responsibilities include:
 - Integration of all Choice Processes
 - Customer billing issues
 - Measurement, metering and usage data inquiries
 - EDI testing
 - EDI transaction monitoring
 - General inquiries

TPS Support

- Responsibilities include (cont.):
 - Resolution of EDI irregularities
 - Tariff interpretation/implementation
 - TPS training coordination
 - Operating Manual updates and Business Process Rules
 - Dispute resolution
 - Choice website updates

TPS Support

- Tariff Standard Terms and Conditions
 - Defines relationship between PSE&G and customer
 - ◆ TPS should be familiar with Tariff, especially Third Party Supplier Requirements (Section 14)
 - ◆ TPS and customer relationship starts on sheet 92
 - Sets pricing for PSE&G charges to customers
 - Address's DCQ's, Nominations, Fee's, etc.
- TPSS will address any tariff related issues
- Tariff is available on PSEG website - (www.pseg.com)

TPS Support

➤ Optional Services - Future

- Support Team will coordinate any evaluation of a request for a new product or service
- Support Team will coordinate existing for fee product and service interactions

TPS Support

- Website - **www.pseg.com**
 - Comprehensive web site containing:
 - ◆ Latest developments related to Gas Choice
 - ◆ Applications and Surveys
 - ◆ TPS Operating Manual
 - ◆ Tariffs
 - ◆ FAQ's
 - ◆ Holiday Schedules

TPS Support

- Information you may need could be posted on the web - check there first, before calling support team
- TPS Problem Resolution
 - If you don't know who to call, call TPS Support and we will get the answer or get the subject matter expert to you

TPS Support

Phone-1-800-664-4761 Option # 1

Email – TPSupplier@PSEG.com

Fax - 973-912-3285

Please

NO END-USE CUSTOMER CALLS



Accreditation

Accreditation

- How to certify as a Third Party Supplier under CAS
 - Obtain License from BPU
 - Complete and return Third Party Supplier Application to Participate in Retail Choice
 - Satisfy PSE&G's Credit Requirements
 - Execute the Confidentiality Agreement
 - Complete and return EDI Capability Survey Form

Accreditation

- How to become a Third Party Supplier (cont.)
 - Arrange required EDI systems and connections
 - ◆ Version 4010 & GISB Internet Transport Protocol Successfully complete all required EDI transaction testing
 - Successfully complete all required EDI transaction testing
 - Arrange to access the PSE&G Electronic Bulletin Board for nominating gas supplies to PSE&G's system
 - Complete PSE&G's Third Party Supplier Training session
 - Execute and return BSA - applicable only to TPS's who participate in consolidated billing

Accreditation

➤ Creditworthiness

- PSEG Financial and Risk Management is responsible for the credit approval of each TPS and on-going credit review procedures
- Accreditation process will not be completed until security is posted (if applicable)
- Maintaining creditworthiness is an ongoing requirement, not a one-time check
- The TPS must notify the utility of any developments that may affect its creditworthiness

Accreditation

➤ Supplier Creditworthiness

- No additional credit requirements for suppliers with investment grade bond rating
- For all others, alternative credit arrangements may be required in the form of:
 - ◆ Advance Deposit (cash)
 - ◆ Standby Irrevocable Letter of Credit
 - ◆ Performance Bond
 - ◆ Parental Guarantee
- Where Applicable:
 - ◆ The alternate credit arrangement must be in a form acceptable to PSE&G
 - ◆ The issuing institution must be acceptable to PSE&G
- Tariff contains creditworthiness details



Operations

- Electronic Data Exchange and Protocol Process Flows for Natural Gas Deregulation
 - Adopted by the BPU August 16, 2000
 - Includes Customer Account Services (CAS) Rules
 - GISB
- Once EDI certified, TPS must conduct all business via EDI

Operations

- TPS Customer Account Service Master Service Agreement (BSA) defines the relationship between PSE&G and the Third Party Supplier
- Defaulting
 - Failure to remain licensed by the BPU can jeopardize the relationship between the TPS and PSE&G
 - TPS must meet ADCQ delivery requirements. Failure to maintain delivery requirements may place TPS in default status.

Electronic Data Interchange

Electronic Data Interchange

- Agenda of EDI Section
 - To communicate essential information to Third Party Suppliers about participating in Retail Choice with PSE&G in New Jersey
 - To explain the steps necessary to begin exchanging EDI transactions with PSE&G
 - To provide an overview of EDI and its role in Gas Choice

Electronic Data Interchange

- What is EDI?
 - Electronic Data Interchange is the computer-to-computer exchange of business documents in standard, machine-readable formats
- Why EDI?
 - To standardize the transfer of great numbers of documents, and to assure the accuracy of information
- When EDI?
 - 7 AM pull of TPS data, processed after 2:30 PM

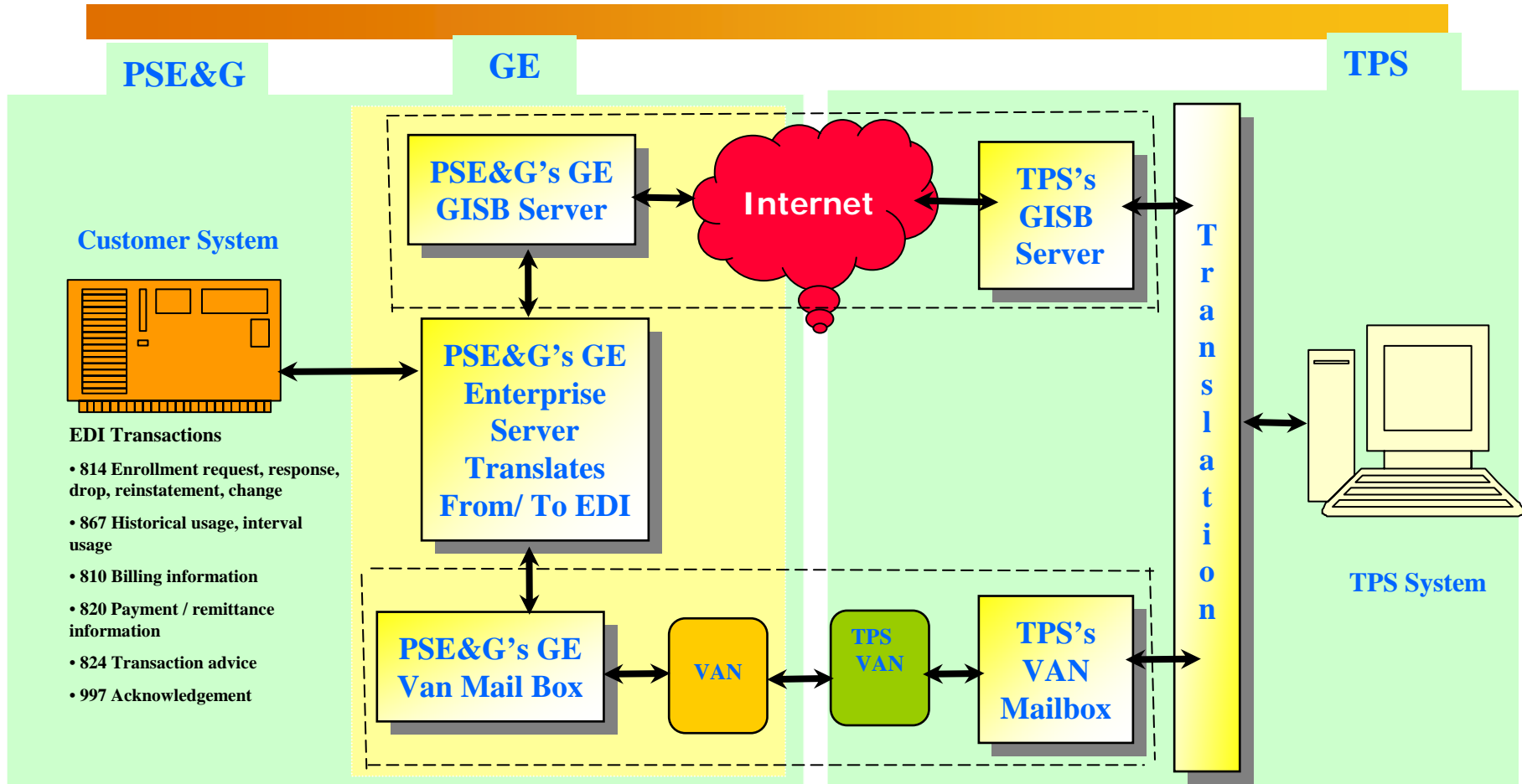
Electronic Data Interchange

- Proven benefits of EDI
 - ◆ Uniform communications with trading partners
 - ◆ Reduced errors, improved error detection
 - ◆ Better auditability and control
 - ◆ More timely communications
 - ◆ Rapid exchange of business information
 - ◆ Reduced paperwork and associated costs
 - ◆ One time data entry
 - ◆ On-line data storage
 - ◆ Faster management reporting
 - ◆ Reduced clerical work

Electronic Data Interchange

- EDI Technical Requirements
 - Must be able to translate data into ANSI X12 Standard Documents
 - Must be able to transmit and receive these documents electronically using GISB Internet Transport Protocol to PSE&G (GE GXS)
 - Must be able to acknowledge receipt of documents with a Functional Acknowledgement
 - Develop maps using the BPU approved guidelines
 - Complete testing to demonstrate EDI capabilities
- Testing schedule will be posted on website

Choice EDI Relationship



Electronic Data Interchange

- How do you talk EDI?
 - 814E or D
 - ◆ 814R
 - ◆ 814C
 - 867
 - 810
 - 820
 - 824

Electronic Data Interchange

➤ Documents

- GISB - Connectivity between PSE&G and the TPS
 - 814 - Information pertinent to account
 - ◆ Enroll/Reinstate
 - ◆ Drop
 - ◆ Change
 - 867 - Usage information
 - ◆ Monthly and historical usage
 - 810 - Billing information from supplier
 - 820 - Payment information
 - 824 – Advice - Rejection
 - ACH - Payments forwarded to TPS's bank
- 810, 820 and ACH applicable to TPS's participating in consolidated billing only



Electronic Data Interchange

➤ 810 Validation

- Current charges and adjustments must equal the total balance

- ◆ Example:

Current charge = \$50.00

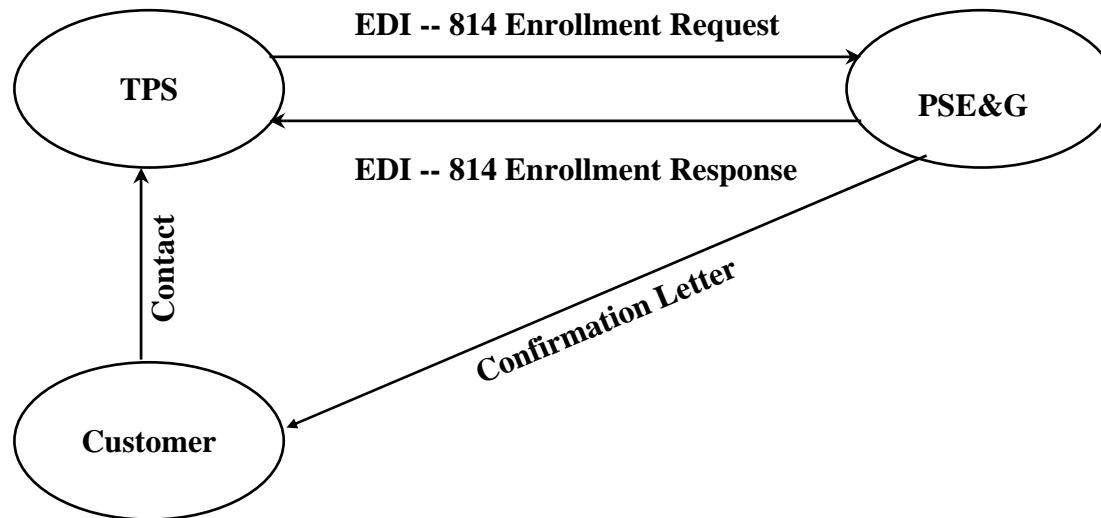
Adjustment = -10.00

Total (Balance) = \$40.00

Electronic Data Interchange

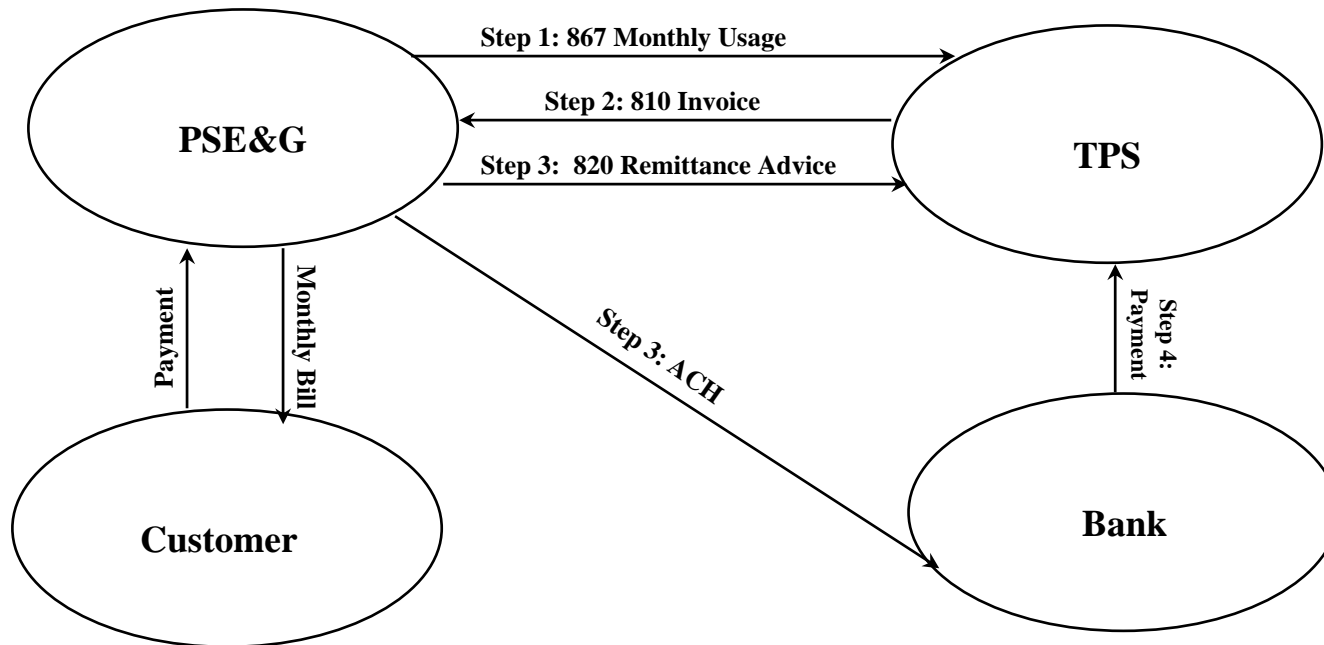
EDI Document Flow (sample)

Scenario: Customer Contacts TPS to Initiate TPS Selection



Electronic Data Interchange

Advanced Clearinghouse (ACH) Transaction



Customer Activity in Choice

Customer Switch

➤ Enrollment/Switching Process

- Customer can request an enrollment packet and/or contact a TPS. Call 1-800-706-PSEG (7734)
- Historical usage can be obtained by the customer or a TPS with customer authorization
- Customer contracts with a TPS
- TPS retains the contract and notifies PSE&G via EDI
- TPS enrolls/switches/drops via EDI

Usage Data

➤ Historical Usage Requests

- Twelve months of historical usage will be sent in all enrollment packages (paper copy)
- A TPS can request monthly historical therm usage or DCQ's for a customer by providing a signed authorization form - faxed to 908-497-1763. Customer of record will be billed \$2.00 per page of information sent to TPS.
- A TPS can also request monthly historical usage through EDI via 814 historical usage request transaction. Usage will be sent via EDI 867 transaction.

Customer Enrollment

➤ Enrollment Package

- Issued at the customer's request 1-800-706-PSEG (7734)
- Enrollment Package includes:
 - ◆ Cover letter
 - ◆ PSE&G account number
 - ◆ Gas meter number
 - ◆ Billing rate
 - ◆ 12 Months historical therm usage data
 - ◆ BPU approved list of gas suppliers (updated quarterly)
 - ◆ Question and Answer Brochure



Customer Enrollment

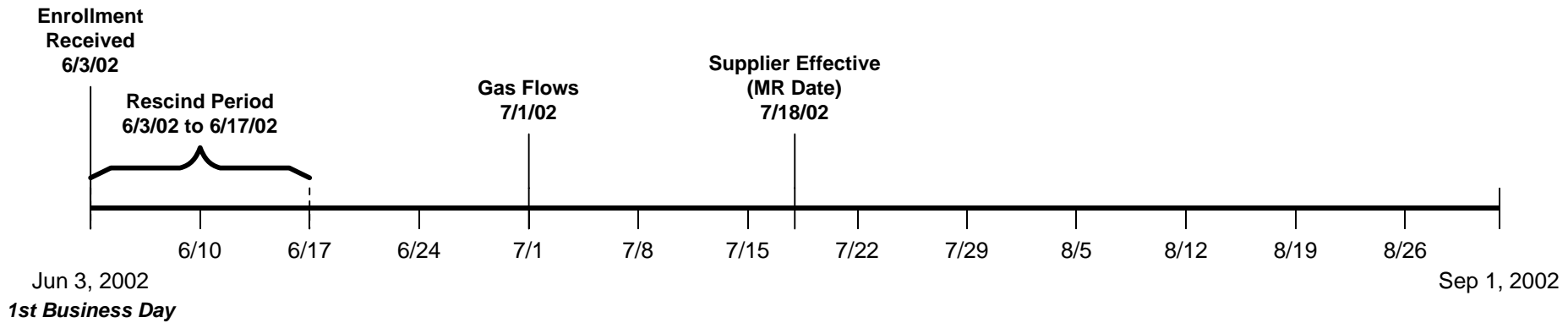
- Required to enroll customer
 - Contract with customer's wet signature (maintained by Third Party Supplier)
 - EDI 814 Transaction enrollment request
 - Enrollment request must include customer's account number and the selected billing option (dual or consolidated).
- Validation
 - If account number matches, verification letter and EDI confirmation will be sent
 - If no match, enrollment request will be rejected

Customer Enrollment

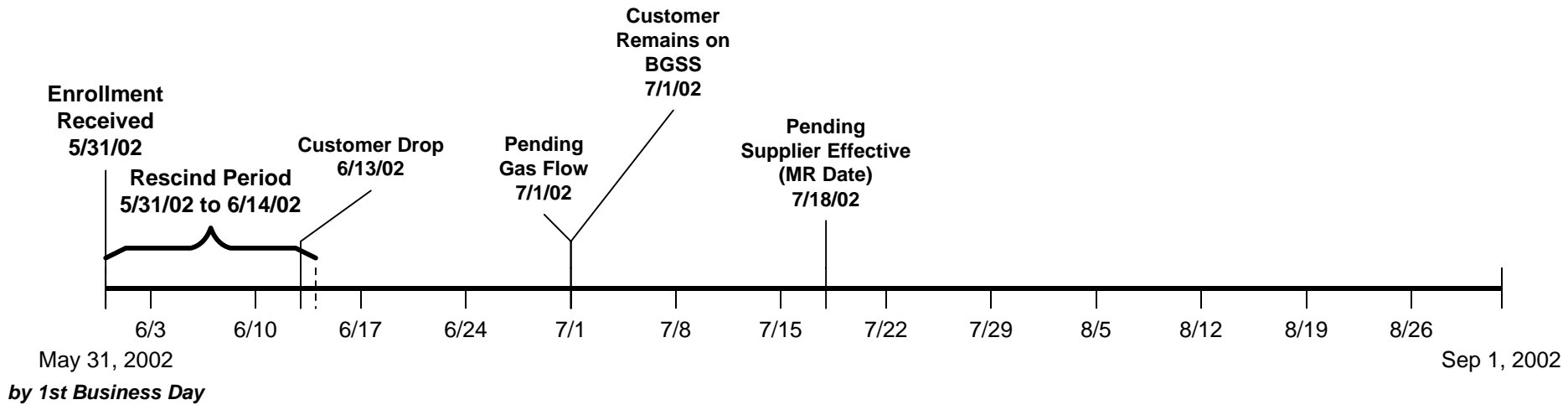
- Enrollment/Switching Process
 - Last-in Rule
 - PSE&G must receive EDI enrollment request from TPS by the 1st business day of the month for service, to begin on the first expected meter read date of the following month
 - PSE&G will send confirmation letter to customer and an acknowledgement to Supplier
 - Customer has 14 days from confirmation letter to rescind process
 - TPS will receive drop notification if the customer rescinds the enrollment
 - Account level – all meters



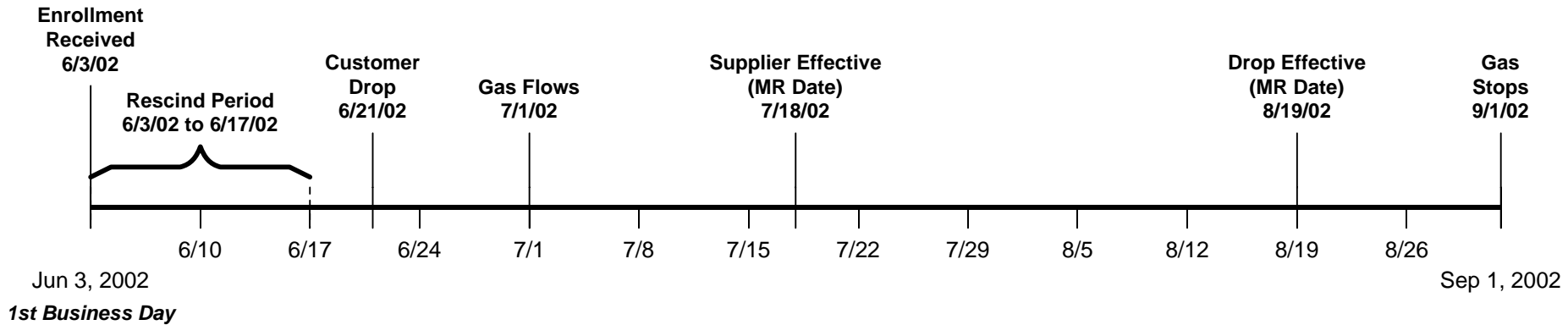
Enrollment Scenario



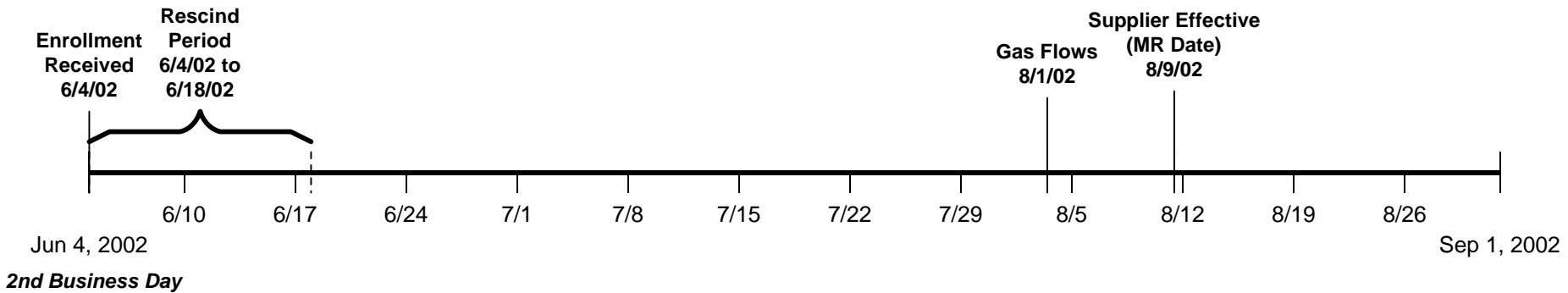
Enrollment Scenario



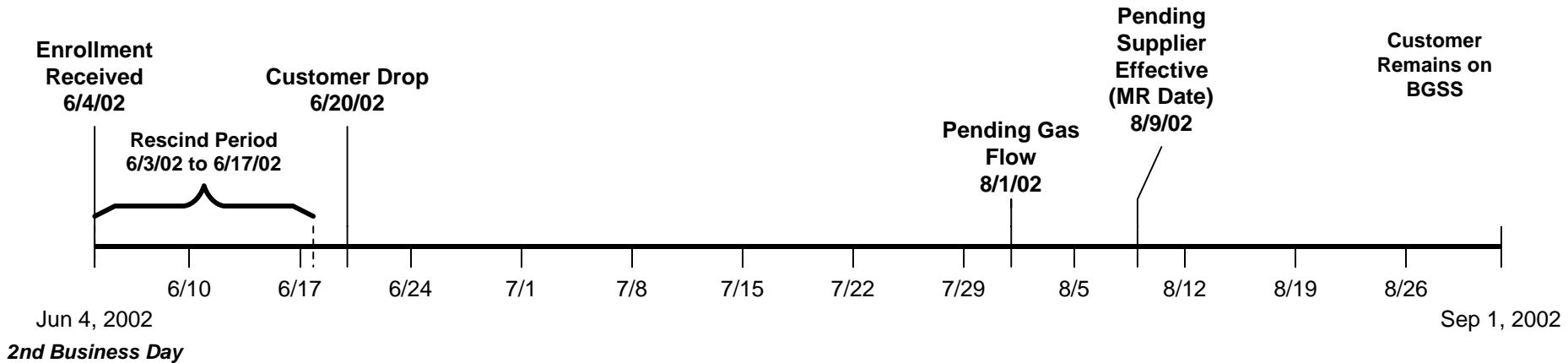
Enrollment Scenario



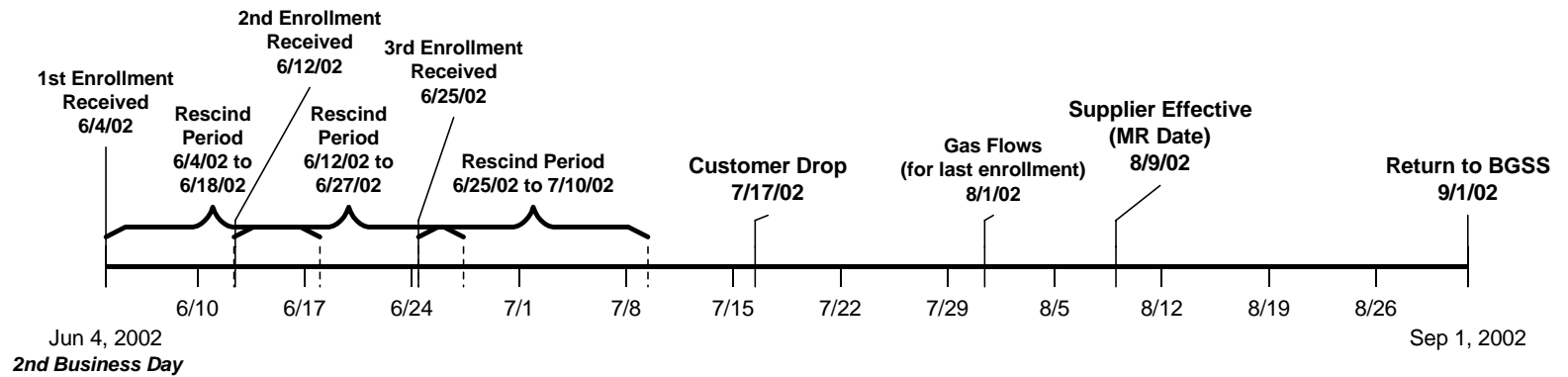
Enrollment Scenario



Enrollment Scenario



Enrollment Scenario



Customer Switching

➤ Customer Drops TPS

- Customer notifies PSE&G that they are dropping their TPS and returning to PSE&G for Basic Gas Supply Service (BGSS)
 - ◆ PSE&G sends EDI drop transaction notification to TPS, and confirmation letter to the customer
 - ◆ Notice must conform to the 1st of the month rule
- Customer can enroll with new TPS at any time in the future



Customer Switching

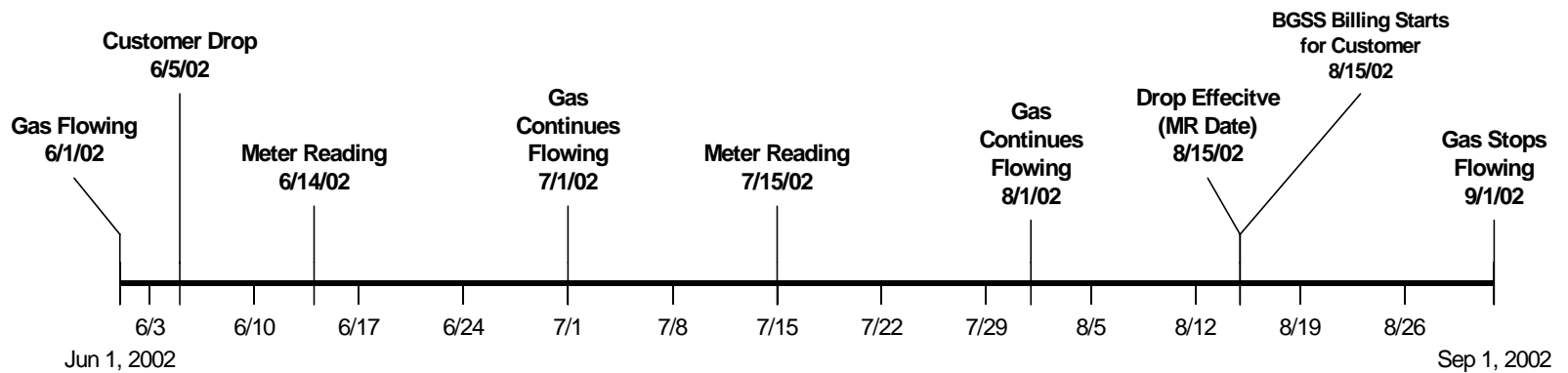
- Customer Drops TPS (cont.)
 - All customers returning to PSE&G will return to BGSS-F
 - BGSS-F is monthly market priced
 - For more information pertaining to BGSS -F rates please refer to the Gas Tariff

Customer Switching

➤ TPS Drops Customer

- TPS sends EDI transaction to PSE&G to drop customer
 - ◆ TPS must notify the customer 10 days prior to the date PSE&G is sent the drop notification, describing the customers options for choosing a new supplier or returning to BGSS
 - ◆ PSE&G will send written drop notification to customer at least 10 days prior to the 1st business day of the month preceding the month the drop will become effective

Drop Scenario



Customer Billing

Customer Billing

- Bill Ready – One Bill Scenario
 - ◆ PSE&G will provide TPS with monthly customer usage information through EDI
 - ◆ PSE&G will consolidate TPS and PSE&G charges and produce a single bill to the customer
 - ◆ If the TPS charges are not received within 48 hours, TPS charge fields on bill will be printed with “**Supplier data not available**” until the next billing cycle. PSE&G will not print additional bills due to this situation.
 - ◆ Customer’s account must pass creditworthiness test (60 days residential and I&C – 90 days municipal)
 - ◆ Forced to dual – remains for twelve months



Customer Billing

➤ TPS Bill Information

- PSE&G will print 6 data points provided by TPS on the bill.
 - ◆ Name of Supplier
 - ◆ Supplier telephone #
 - ◆ Current Supplier Charges
 - ◆ Adjustments
 - ◆ Total Supplier Charges
- **Additional testing required**
 - ◆ Rolling Page
 - ◆ Logo

PSE&G Consolidated Bill

➤ Rolling Page

- Included, at a minimum, will be the TPS's name, telephone number, current charges, total charges and payment/adjustments. With PSE&G's agreement, the TPS's logo can be included provided it meets requirements.
- The TPS will have the option of including additional information on the rolling page. There will be a maximum of 50 lines available to the TPS (at their option) for additional lines of text. These lines will print after the basic 810 data.

PSE&G Consolidated Bill

➤ Rolling Page

- What happens if there are errors?
 - ◆ If the data points received are valid but the rolling page text contains an error, the data points will still be printed on the customer's bill and an EDI 824 will be sent to the TPS advising of the text error.
- Is the window for returning the 810 the same?
 - ◆ Yes, the window is still 48 hours. If the TPS misses the window, the TPS will have to wait until the following month to send the information.

PSE&G Consolidated Bill

➤ TPS's Logo

- What are the conditions to have a TPS logo printed on the PSE&G bill?
 - ◆ The dimensions for the logo cannot exceed:
 - Width: 1.17 in (7 picas)
 - Length: .68 in (4pl 4 picas, 1 pt)
 - ◆ The logo will be printed in black and white
 - ◆ The logo will be the same for all customers



Customer Billing

- Assuming TPS's Charges
 - If a supplier participates in consolidated billing, PSE&G will assume the TPS charges and pay to the supplier, within 25 days of the customers meter reading, 100% of the customers TPS charges minus an uncollectible percentage
 - Factor used in determining amount paid to the supplier to be reviewed yearly by the BPU

Customer Billing

- Day 1 - Customer's meter(s) is read
- Day 2 - Usage is validated and reported to the TPS via EDI and PSE&G calculates its share of the bill
- Day 4 - PSE&G receives the charges from the TPS via EDI and PSE&G updates billing system, adds the TPS charge to the bill and mails it to the customer
- Day 20 - Due date for the customer to send in payment for charges rendered
- Day 25 - Regardless if payment received or not, PSE&G's bank forwards payment to TPS

Customer Billing

- Two Bill Scenario
 - PSE&G will provide TPS with the monthly customer usage information through EDI
 - ◆ Start/end meter reads (indexes)
 - ◆ Gas consumption in therms
 - Customer billed separately
- Customer will be referred to their TPS when questioning TPS charges

Final Customer Bill

- Delivery true-up with supplier, not customer
 - Over delivered therms returned to TPS
 - Under delivered therms will be nominated as future delivery's

Fuel Gas Supply

Daily Contract Quantities

- Used in the nomination process to determine total volume of gas each TPS will deliver into the PSE&G system
- DCQ's are calculated in therms
- DCQ's are updated yearly to compensate for any changes in equipment or customer pattern of usage
- DCQ's are calculated for each customer by taking the customers weather normalized usage adjusted for losses and dividing it by the number of days in that given billing period

Daily Contract Quantities

- Interruptible Customers
 - Current processes for TSG-NF and TSG-F (grandfathered) will not change when EDI becomes effective 5/1/02

Fuel Gas Supply

- DCQ's / ADCQ's maintenance
- Monthly delivery nominations
- Bulletin Board (EBB)
 - Required by TPS to electronically nominate and confirm the total volume of gas it intends to deliver to PSE&G
- Delivery issues: 973-430-5053

Fuel Gas Supply

- Electronic Bulletin Board will display each month:
 - Notices on changes, updates, etc.
 - Customer Name
 - Account Number
 - Meter Number
 - Customer billing rate
 - Therms to be delivered by TPS on a per day basis for each account
 - Total in therms and dekatherms

The End

Thank You

