

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



Day's Outcome

- To communicate essential information to Third Party Suppliers about participating in Retail Choice and Customer Account Services with PSE&G
- To review process requirements and business rules so Third Party Suppliers can effectively do business with PSE&G

Checklist

- Becoming a New Jersey Third Party Supplier and Doing Business with PSE&G
 - Submit Application
 - Obtain license from BPU
 - Execute appropriate PJM certifications and agreements
 - Satisfy creditworthiness requirement
 - Execute the Third Party Supplier Agreement
 - Arrange required EDI systems and connections and successfully complete all EDI transaction testing
 - Confirm “Contract” established in PJM e-Schedules

Third Party Supplier Support

(TPSS)

Third Party Supplier Support

➤ Business Relationship

- TPSS is responsible for front ending all interactions between Third Party Suppliers and PSE&G
- Everything NOT handled by the Retail Business Services (RBS)

Third Party Supplier Support

➤ Organizational Structure

- Dedicated, technically competent group
- Built around the one phone number/one phone call concept
- Aligned with Customer Service's Relationship Management Process to guarantee consistency of information

Third Party Supplier Support

- Examples of TPSS Interactions
 - Customer billing and usage issues
 - Measurement services
 - Remittance inquiries
 - EDI testing with contractors
 - Tariff interpretation/implementation
 - TPS training and coordination
 - Operating Manual updates
 - In conjunction with RBS and Supplier – PSE&G dispute
 - TPS bill inserts

Third Party Supplier Support

- TPS Operating Manual
 - Includes description of business and technical processes and is available on PSE&G Website
 - TPSS is responsible for updates to the Operating Manual and updates will be available on the website

Third Party Supplier Support

- Tariff Standard Terms and Conditions
 - Defines relationship between PSE&G and Customer
 - ◆ TPS should be familiar with section 15 as it contains issues pertaining to Third Party Suppliers
 - ◆ Available on www.pseg.com
 - Sets pricing for PSE&G charges to customers
 - ◆ Special Provisions
 - Discontinuance of Service policy

Third Party Supplier Support

➤ Optional Services

- TPSS will coordinate any evaluation of a request for a new product or service
- TPSS will coordinate existing for fee product and service interactions
 - ◆ Interval data via email
 - ◆ Expanded interval data service via the Internet

Third Party Supplier Support

- Website – www.pseg.com
 - Information you need is on the web – check there first before calling TPSS
- TPS Problem Resolution
 - If you don't know who to call, call TPSS and we will find the answer or get the subject matter expert to you

Third Party Supplier Support

TPSS

Phone 1-800-664-4761 Option 1

Or

Email – TPSupplier@pseg.com

Or

Fax – 973-912-3285

NO CUSTOMER CALLS PLEASE



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 Electric 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

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

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

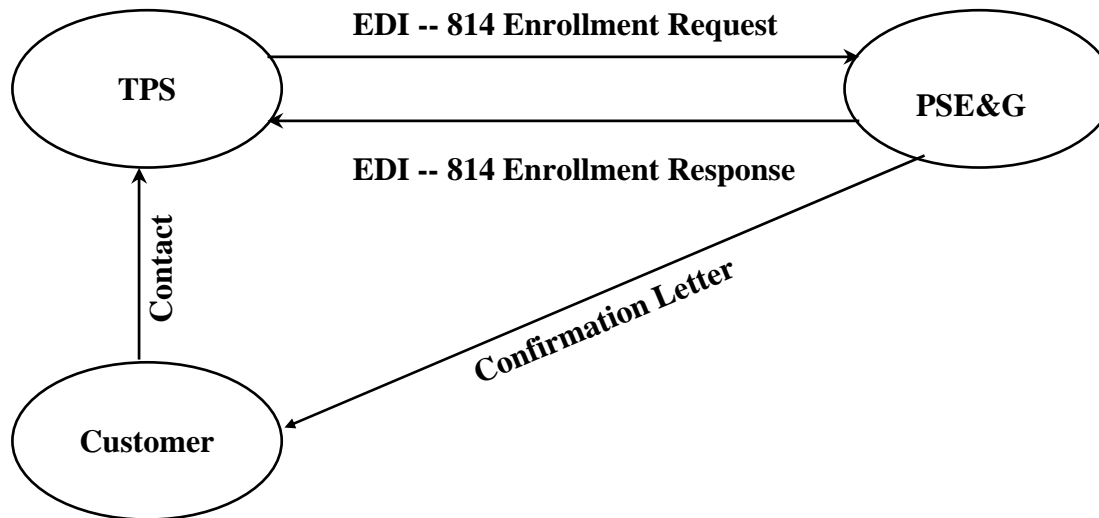
Adjustment = -10.00

Total (Balance) = \$40.00

Electronic Data Interchange

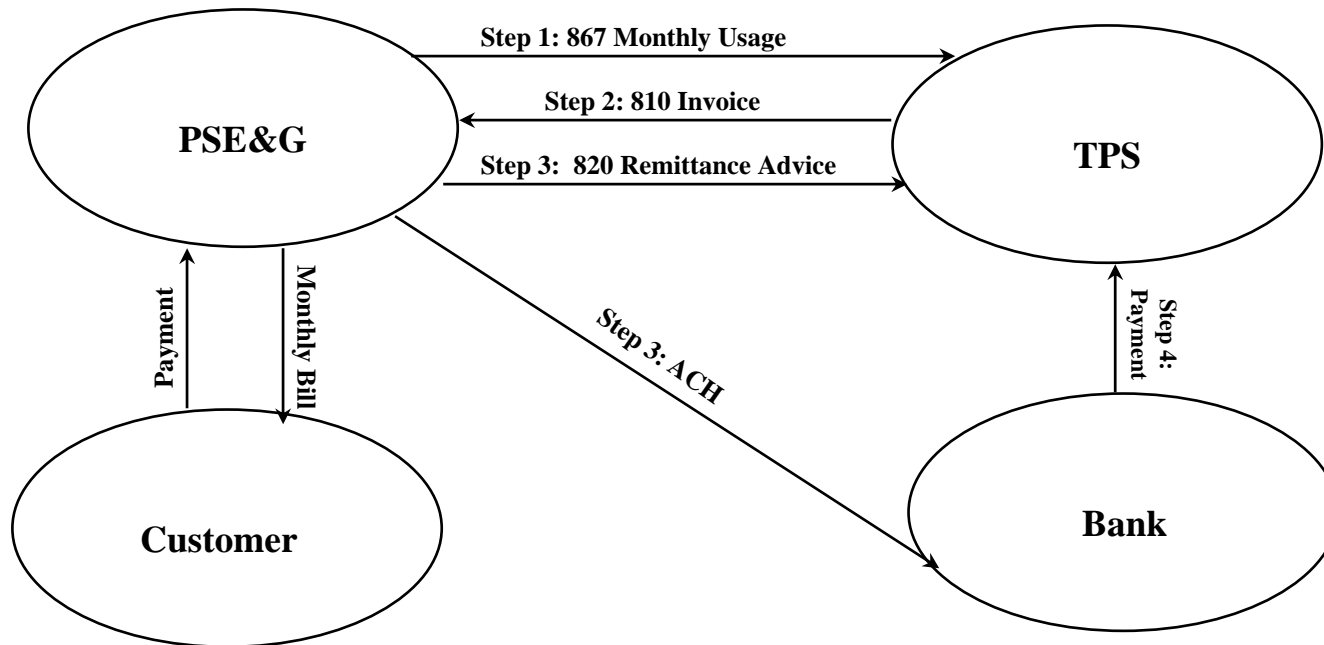
EDI Document Flow (sample)

Scenario: Customer Contacts TPS to Initiate TPS Selection



Electronic Data Interchange

Advanced Clearinghouse (ACH) Transaction



Customer Activation/Enrollment

Customer Activation/Enrollment

➤ Enrollment Package

- Issued at the customer's request 1-800-706-PSEG (7734)
- Enrollment package includes:
 - ◆ Cover letter
 - ◆ 12 months usage data
 - Capacity and Transmission Obligations
 - PSE&G account number
 - Electric meter number and identification of interval meter
 - Billing rate
 - Meter reading cycle

Customer Activation/Enrollment

- Enrollment Package
 - Enrollment Package includes:
 - ◆ BPU approved Third Party Supplier list (updated quarterly)
 - ◆ Consumer Rights
 - ◆ BPU approved questions and answers

Customer Activation/Enrollment

- Enrollment/Switching Process
 - Historical usage can be obtained by the customer or mailed directly to a TPS with customer authorization
 - Facilitates the customer signing a contract
 - Internet sign up approved
 - TPS retains the contract and notifies PSE&G through an EDI enrollment transaction (814)
 - PSE&G verifies information and account number and confirms with TPS and customer via EDI and letter



Customer Activation/Enrollment

- Enrollment/Switching Process
 - Last-in rule
 - Next cycled bill date becomes the activation date as long as EDI received 20 days prior to that date
 - Customer has 14 days from confirmation letter to rescind enrollment
 - TPS will receive drop notification if the customer sells/relocates their operation
 - Subsequent switches conform to the above process with the exception of the 12 month BGS rule (I&C customer only)

Customer Activation/Enrollment

➤ Activation

- Required to enroll customer
 - ◆ Contract with customer's wet signature (maintained by Third Party Supplier)
 - ◆ EDI 814 Transaction Set 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
 - ◆ If customer does not pass creditworthiness for consolidated billing the 814 enrollment will reject and supplier will have to resubmit as dual billing.



Customer Activation/Enrollment

➤ 20 Day Rule

- PSE&G must receive EDI enrollment request from TPS at least 20 days prior to the next cycled bill date
- The 20 days consists of 1 day of processing, 14 days rescind process and 5 days for PJM requirements
- Customer has 14 days from date of PSE&G confirmation letter to rescind contract

Customer Activation/Enrollment

➤ Customer Drops TPS

- Customer notifies PSE&G that they are dropping their TPS and returning to PSE&G for Basic Generation Service (BGS)
 - ◆ PSE&G sends EDI drop transaction notification to TPS and confirmation letter to the customer
 - ◆ Notice must conform to the 20 day rule

Customer Activation/Enrollment

- TPS Drops Customer
 - TPS sends EDI transaction to PSE&G to drop customer
 - ◆ Must provide 30 days notice to individual customers
 - 15 day rule for EDI notification to PSE&G
 - ◆ 90 days notice for dropping entire Rate Class
 - 90 day notification to BPU, Advocate, PSE&G
 - 30 day notice to each customer and PSE&G
 - Article 11 of TPS Agreement for details



Customer Billing

Customer Account Services (CAS)



PSE&G Consolidated Bill



PSE&G Consolidated Bill

- Customer Billing Information
 - Customer sees the “price-to-compare” on their bill (prorated)
 - The “price-to-compare” is made up of basic generation service and transmission costs
 - If a customer decides to shop, they must sign a contract with the Third Party Supplier or authorize the switch through the Internet
 - The contract will provide customers with their billing options: LDC Consolidated, Dual Billing, ESP Consolidated (future)



PSE&G Consolidated Bill

- PSE&G is BILL READY
 - PSE&G will provide TPS with monthly or hourly customer usage information via EDI
 - Within 48 hours, TPS provides PSE&G with calculated charges
 - PSE&G will include these charges on the LDC bill
 - If the TPS charges are not received within 48 hours, TPS charge area will be filed with “**Supplier data not available**” until the next billing cycle
 - PSE&G will not print additional bills due to this situation



PSE&G Consolidated Bill

- Suppliers will be notified via EDI if their charges missed the 48-hour billing window
- PSE&G's bill-ready consolidated bills will include up to one rolling TPS bill page at no charge to the TPS.
- PSE&G will assume TPS receivables going forward from the date that CAS becomes effective. PSE&G will not assume any outstanding TPS prior balances. These balances are the responsibility of the TPS.



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 this 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 logo must be provided to PSE&G in advance to enable sufficient time for implementation and testing
 - ◆ The logo must be provided as an IBM page segmentation file

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



PSE&G Consolidated Bill

➤ Bill Inserts

- All communication and approval will be coordinated through TPSS
- PSE&G may allot up to 3 inserting slots per month for use by the TPS
- Contained in the bills of residential customers that are currently supplied by the respective TPS
- PSE&G will need the proposed bill insert a minimum of 30 days prior to the TPS's intended date for inclusion of such insert
- TPS must have final inserts to the billing vendor 7 days prior to route 1 billing
- All charges will be included with the normal monthly administration fee



Consolidated Billing

Conversion to Dual Billing

Consolidated and Dual Billing

- Transition – Choice to CAS Creditworthiness
 - During the 30 day period preceding the first CAS bill, customer accounts with suppliers will be required to have no prior balance more than 60 days delinquent or be converted to dual billing
 - In all cases, the supplier and customer will be notified of the switch to dual billing

Consolidated and Dual Billing

- A customer is entitled to receive a consolidated bill if the billing party, whether it be PSE&G or the TPS, determines that the customer is creditworthy. The billing party will be required to inform the customer that failure to pay bills in a timely manner will result in conversion from consolidated billing to dual billing for a period of 1 year.
- The customer, at the billing party's discretion, may be converted from consolidated billing to dual billing if the arrearage reaches at least 60 days
- If a customer is converted from consolidated to dual billing by any party for any reason, both PSE&G and the TPS will be responsible for its own receivables, effective as of the start of dual billing
- Municipal accounts will be judged creditworthy should their arrearages not reach 90 days

Account Receivables

PSE&G Remittance

- If PSE&G provides consolidated billing service, PSE&G shall remit to the TPS all undisputed energy commodity the TPS's charges by the 5th day from the due date noted on the consolidated bill (20 days)
- PSE&G shall make payments of funds to the TPS by ACH to the bank designated by the TPS found on the TPS Application sent to PSE&G's RBS



Disputed Charges

- If the billing party receives a customer inquiry regarding its charges, the billing party shall be responsible for resolving the inquiry with the customer. If the billing party receives a customer inquiry regarding the non-billing party's charges, the billing party shall refer the customer to the non-billing party for resolution.
- A negative 820 will be issued to the non-billing party, advising them that the disputed amounts will be deducted from the payments made 20 days from that date.
- **Such disputed charges should NOT be resubmitted in a future normal charge (810) for that customer.**

TPS Consolidated Bill

(future assumptions)

TPS Consolidated Bill

- TPS's bill-ready consolidated bills will include up to one rolling PSE&G bill page at no charge to PSE&G.
- The TPS will assume PSE&G's balances going forward from the date that CAS becomes effective. The TPS will not assume any outstanding PSE&G prior balances. These balances are the responsibility of PSE&G.

TPS Consolidated Bill

➤ Rolling Page

- The rolling page will include, at a minimum, PSE&G's name, telephone number, current charges, total charges and payment/adjustments. At the TPS's discretion, the PSE&G logo can be included provided it is satisfactory to both the TPS and PSE&G.

TPS Consolidated Bill

➤ Bill Inserts

- If the TPS provides consolidated billing for PSE&G, the TPS will be responsible for fulfilling all applicable New Jersey Administrative Code (NJAC) and Board mandated notices and directives concerning utility customer bill information. The TPS will not be required to provide any information regarding PSE&G's competitive services as part of the bill.

Supplier Remittance

- If TPS provides consolidated billing service, the TPS shall remit to PSE&G the full amount of all undisputed PSE&G charges it has billed to customers within 15 days of receiving such said charges from PSE&G for billing. The TPS shall make payment of funds payable to PSE&G by ACH.
- If payment is made to PSE&G after this 15 day period, a late fee will be added to the unpaid balance until the entire amount is paid. This late fee will be 1.5% per calendar month on the unpaid balance.



Measurement – Usage Data

Measurement – Usage Data

- No meter changes required
 - Interval meters NOT required for customer choice
- Existing types of meters
 - Watthour
 - Demand Register
 - Time of Day
 - Interval

Measurement – Usage Data

➤ Existing Interval Meters

- Who has them
 - ◆ Cogen, HTS, IES/CES customers
 - ◆ Miscellaneous billing reasons
- What are the charges if an existing interval-metered customer purchases energy from a TPS?
 - ◆ Billing requirement (HTS, Cogen, Misc): No charge
 - ◆ Measurement of Curtailment (CES/IES): Dependent on the timing of interruptible agreement
- Look at Customer Usage Form for presence of meter type “interval” to determine if interval meter is installed

Measurement – Usage Data

➤ New Interval Metering

- Standard monthly service or optional 5 year term options
- 3 communications options
 - ◆ Customer provide phone line
 - See TPS Operating Manual for PSE&G Standards for Telecommunications for Interval Meters
 - ◆ PSE&G provides phone line
 - If a customer requests that PSE&G arrange for installation of phone line to the meter, PSE&G will charge the customer the actual vendor cost of installation
 - ◆ PSE&G provides Cellular installation (site specific)

Measurement – Usage Data

- New Interval Metering
 - Application Process
 - ◆ To proceed with the installation of a new interval meter, the customer must complete the Application for Interval Metering Services and mail it to:
 - PSE&G – Account Support
24 Brown Avenue, Springfield, NJ 07081
 - ◆ Customer will be billed for all charges
 - ◆ The Application for Interval Metering Services will be available on the PSEG.com website



Measurement – Usage Data

➤ Interval Data Options

- A TPS will receive hourly interval data at the monthly meter reading date for all interval metered customers
- Data will be sent via EDI (867)
- Customers can request historical data via email at no charge once annually

Measurement – Usage Data

- Historical Usage Requests
 - Monthly historical usage will be sent in all enrollment packages (paper copy)
 - A TPS can request monthly historical usage for a customer by providing a signed authorization form – faxed to 908-497-1763 or via EDI 814HU request.

Measurement – Usage Data

- Historical Usage Requests
 - Historical interval data requests
 - ◆ PSE&G will provide historical interval data via email to a TPS upon receiving written authorization from the customer (faxed to 908-497-1763)
 - ◆ The cost is \$40 per meter billing with monthly administration fee
 - ◆ The interval size of data will be dependent on the meter that is installed
 - ◆ 12 months of data will be available for each meter – upon request

Measurement – Usage Data

➤ Interval via Internet

- Suppliers are to notify TPSS of their interest in this service at TPSupplier@pseg.com or 1-800-664-4761
Option 1
- A signed copy of the application needs to be mailed to TPSS at:
 - ◆ PSE&G – TPSS
24 Brown Avenue, Springfield, NJ 07081
- The application can also be faxed to 973-912-3285, in advance, but an original MUST follow by US Mail



Load Profiles and Capacity Obligations

Load Profiles

- An estimate of how a customer uses energy each hour of the day
- Used in the settlement process to determine the hourly usage of your customers who do not have hourly metering installed at their facilities
- Dynamic load profiling – profiles produced daily
- One load profile per rate class
- Customer assignment based on respective tariff
- Updated daily and available on PSEG's Internet site

Capacity Obligation

- Consistent with PJM zonal obligation
- Transmission Obligation
- Types of customers
 - Customers without demand meters
 - Customers with demand meters but without hourly interval meters
 - Customers with hourly interval meters

Capacity Obligation

- Calculations (adhere to PJM principles)
- Impact on customer
- Impact on Third Party Supplier
- Component of Price-to-Compare
- Peak Load set in January
- Capacity Obligation adjusted in January, June and October

Active Load Management

- Types
- PSE&G Policy
- Impact on Third Party Supplier Obligations

Retail Business Services

(RBS)

Retail Business Services

➤ Responsibilities

- TPS enrollment and accreditation
- Capacity and Transmission Obligations
- Load estimation/scheduling
- Settlement/reconciliation
- TPS invoicing/payments
- Website management

➤ Retail Business Services

- Phone: 973-430-8449
- Fax: 973-624-2891
- Email: settlements@pseg.com



Becoming a New Jersey Third Party Supplier and Doing Business with PSE&G Checklist

- ✓ Submit Application
- ✓ Obtain license from BPU
- ✓ Execute appropriate PJM certifications and agreements
- ✓ Satisfy creditworthiness requirement
- ✓ Execute the Third Party Supplier Agreement
- ✓ Arrange required EDI systems and connections and successfully complete all EDI transaction testing
- ✓ Confirm “Contract” established in PJM e-schedules



Retail Business Services

➤ Creditworthiness

- No additional credit requirements for suppliers with investment grade bond rating
- For all others, alternative credit arrangements in an amount calculated in accordance with the “Creditworthiness Standards for Suppliers” in Appendix B1, B2, and B3 in the Third Party Supplier Agreement:
 - ◆ Guarantee of payment (Guarantor with an investment grade bond rating)
 - ◆ Irrevocable letter of credit
 - ◆ Prepayment account
- Where applicable:
 1. The alternate credit arrangement must be in a form acceptable to PSE&G
 2. The issuing financial institution must be acceptable to PSE&G
- Creditworthiness standards will be reviewed on a continuing basis



Retail Business Services

- Capacity and Transmission Obligations
 - “Per customer” peak load allocations are established on an annual basis and submitted to PJM via the eCapacity system 2 to 5 days prior to the operating day
 - Capacity and Transmission Obligations are settled and billed through PJM

Retail Business Services

- Load Estimating/Scheduling
 - TPS may submit it's forecast energy obligation to PSE&G by noon day-ahead via the PSE&G private website
 - Hourly load estimated reported to PJM via eSchedules
 - ◆ Interval meters
 - ◆ Dynamic Load Profiles
 - ◆ Adjusted for losses

Retail Business Services

- Settlement and Reconciliation
 - PSE&G will provide PJM with information regarding the TPS's customer usage once all meters are read
 - PJM conducts reconciliation billing based on this information
 - PJM will make customer usage adjustments beyond the 60-day PJM billing window if mutually agreed upon by PSE&G and the TPS

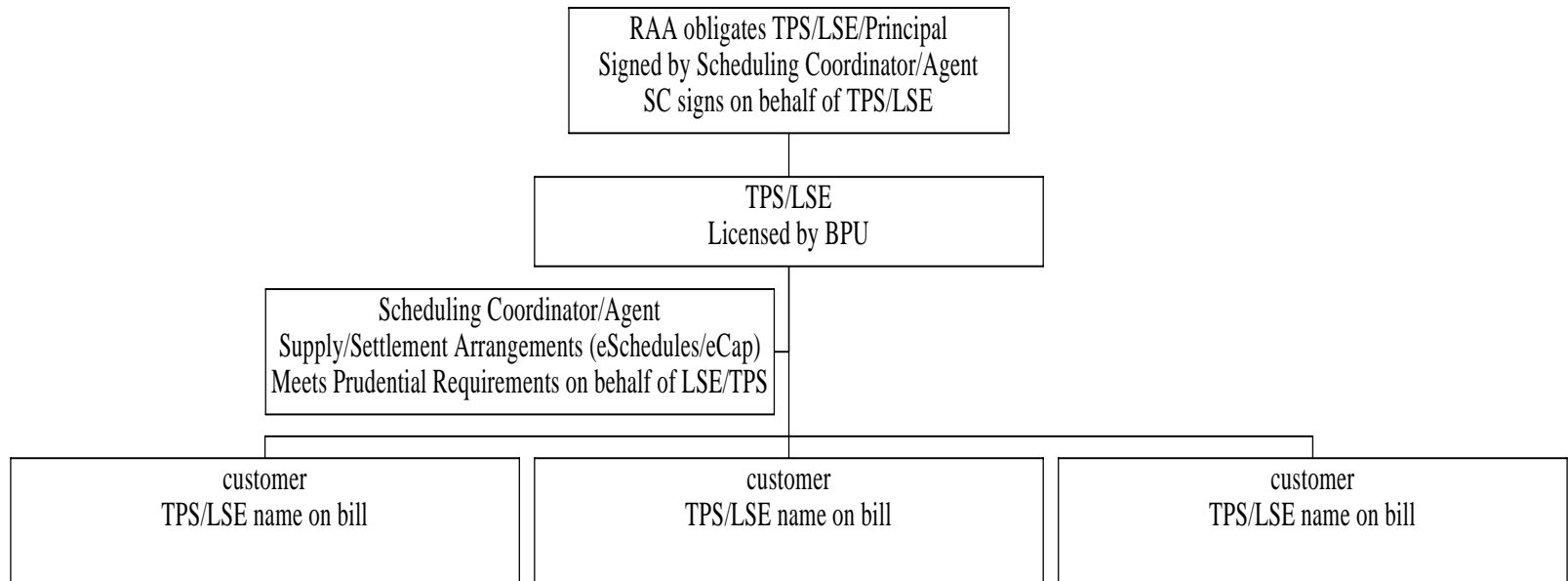
Retail Business Services

➤ Scheduling Coordinators

- A TPS may authorize an Agent, called a Scheduling Coordinator, to act on it's behalf in the Retail Settlement Operations functions
- TPS retains primary responsibility for satisfying the requirements of the TPS agreement
- A Scheduling Coordinator Designation Form must be signed (Appendix B – TPS Agreement)

Retail Business Services

Scheduling Coordinator Model



Retail Business Services

➤ TPS Invoicing/Payments

- RBS will render monthly invoices reflecting transaction fees, metering charges and other charges
- PSE&G reserves the right to “net” receivables and payables
- All payments must be made by ACH wire transfer to JP Morgan Chase bank

Retail Business Services

➤ Dispute Resolution

- TPS to notify RBS Manager –Credit and Risk Management in writing, within 20 days from the due date of the invoice of any TPS billing disputes
- All disputes will be addressed promptly and in accordance with the provisions in the TPS Agreement

Retail Business Services

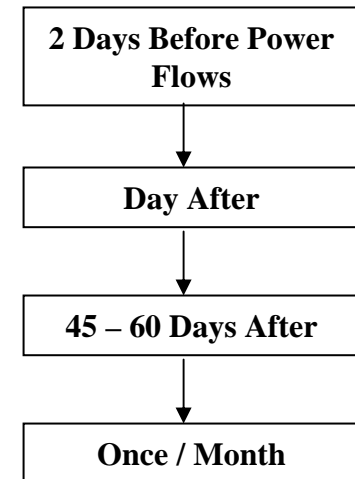
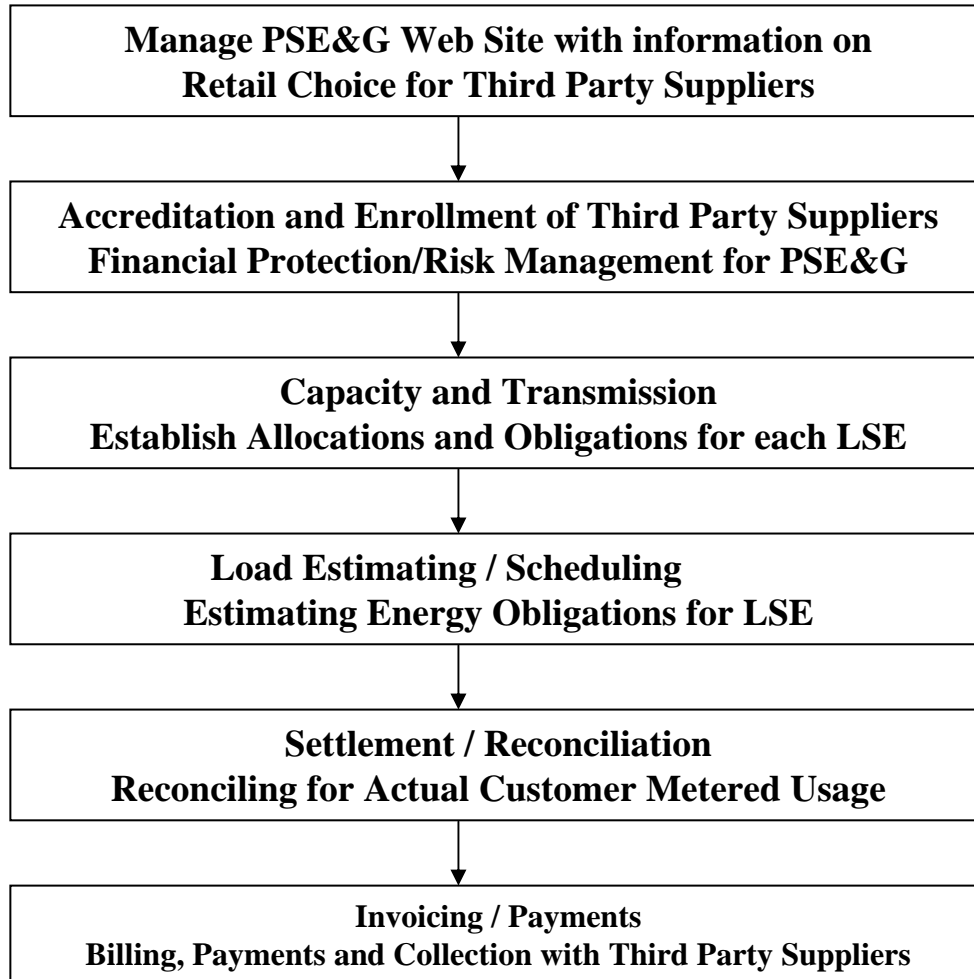
- Website – Public
- Third Party Supplier Information Center
 - www.pseg.com
 - Latest development related to Electric Choice
 - ◆ TPS Application
 - ◆ TPS Agreement
 - ◆ Operating Manual
 - ◆ Historical and Dynamic Load Profiles
 - ◆ FAQ's
 - ◆ Contact Information

Retail Business Services

➤ Website – Private

- Access will be granted after execution of TPS Agreement
 - ◆ Current credit information
 - ◆ Scheduling information
 - ◆ Operating messages

Retail Business Services



The End

Thank You

