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# **GAS OPERATIONS and TRANSPORTATION MANUAL**

Revised August 2019

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### **INTRODUCTION:**

The following document sets forth the business practices of Corning Natural Gas Corporation regarding retail access for gas service. These business practices are applicable to Energy Services Companies (“ESCO”) that are eligible to participate in the competitive, retail access program in the State. While Corning Natural Gas Corporation (“CNGC”) has not been required to adopt the uniform retail access business practices by the New York State Department of Public Service, as have the other utilities in the State, the Company wishes to incorporate those rules in its tariffs and operating procedures as much as is possible to provide consistency with other utilities within the State.

This document will serve as the CNGC’s suppliers manual and will be incorporated into the CNGC’s tariff under its General Information Rules. While CNGC’s current tariff pertaining to retail access has been approved the Company feels that we need to clarify and simplify the current tariff pertaining to retail access on our system.

## ENERGY CONVERSION FACTORS

1 CF (Cubic Feet)	= Approx. 1,000 BTUs
1 CCF	= 100 CF = 1 Therm
1 Therm	= 100,000 BTUs = 100 CF = 0.1 MCF
10 Therms	= 1 MCF
1 MCF	= 1,000 CF = 10 CCF = 10 Therms
1 Quad	= 10 <sup>9</sup> MCF = 10 <sup>10</sup> Therms = 10 <sup>15</sup> BTUs

To determine the cost per unit (gallon, ton, etc.) of a fuel when the price per million BTU is known, use the following formula:

$$\frac{\text{BTU of fuel per unit} \times \text{Cost per million BTU}}{1,000,000} = \text{cost per unit}$$

### EXAMPLE:

Electricity is selling for \$22.20 per million BTU. What is the price per KWH?

$$\frac{3412 \text{ BTU} \times \$22.20}{1,000,000} = \$0.076 \text{ per KWH}$$

COMPARATIVE THERMAL VALUES		1.00 Million BTU
Natural Gas	1,000 BTU/cu. ft.	1,000 cu. ft.
Coal	12,000 BTU/lb.	83.333 lb.
Propane	91,600 BTU/gallon	10.917 gallon
Gasoline	125,000 BTU/gallon	8.000 gallon
Fuel Oil #2	139,000 BTU/gallon	7.194 gallon
Fuel Oil #6	150,000 BTU/gallon	6.666 gallon
Electricity	3,412 BTU/KWH	293.083 KWH
Butane	103,000 BTU/gallon	9.709 gallon
Kerosene	135,000 BTU/gallon	7.407 gallon
Firewood	20,960,000 BTU/cord	0.048 cord
Diesel	136,000 BTU/gallon	7.353 gallon

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<b>Aggregator (Supplier)</b>	Any party (such as an ESCO) that is approved by the LDC to deliver gas supplies to an Aggregation Group. This term has the same meaning as “Aggregation Pool Operator” for Non-Daily Metered Customers and “Pool Operator” for Daily Metered Customers.
<b>Balancing</b>	A process that reconciles actual customer use with the amount of natural gas delivered to the LDC citygate. The difference between these two is called an imbalance.
<b>Baseload</b>	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.
<b>Bcf</b>	BCF Billion cubic feet.
<b>British Thermal Unit</b>	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.
<b>Btu</b>	British Thermal Unit (Energy)
<b>Capacity Release</b>	Space on the interstate pipeline allowing the Company or other shippers to move gas from the source (well head) to the city gate for further distribution on the Company’s system. The Company will “release” capacity or “assign” capacity as required by tariff and as available and desired by Customers and/or suppliers. Capacity Release Releasing capacity to an ESCO in order for the ESCO to meet their operational requirements. Both the pipeline capacity and storage field capacity are released.
<b>Cashout</b>	Procedures by which CNGC and ESCOs resolve imbalances through cash payments.
<b>Ccf</b>	100 Cubic Feet (Volumetric) or approximately 1.03 therms
<b>Citygate</b>	Point that natural gas enters CNGC system from other pipelines
<b>Citygate</b>	The point of interconnection between a pipeline and a local distribution company where gas is delivered to the LDC. CNGC has four main citygates.
<b>Critical Day</b>	A critical day exists when the LDC declares an operational flow order (OFO).
<b>Critical Period</b>	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.
<b>Curtailment</b>	The reduction of gas deliveries to customers or Direct Customers initiated by the Company to maintain the integrity of the Company’s distribution system and/or when there is a shortage of supply or a lack of capacity on an Upstream Pipeline and/or the Company’s distribution system.
<b>Customer Account #</b>	The utility specific unique identifier associated with a utility customer.
<b>Daily Balancing</b>	The process wherein CNGC accommodates the difference, on a daily basis, between the actual usage of the ESCO’s SC7, & SC 11 retail customers and the quantity of gas delivered by the ESCO to CNGC’s distribution system.
<b>Daily Metered Customers</b>	Minimum usage must be equal to or greater than 25,000 dekatherms annually
<b>DCQ</b>	Daily Contract Quantity

<b>Degree Days</b>	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 temperatures) from 65 degrees Fahrenheit.
<b>Design Day</b>	A 24-hour period of demand which is used as a basis for planning gas capacity requirements.
<b>Direct Customer</b>	A transportation customer who acts on its own behalf to purchase and arrange to bring natural gas to the Company's citygate for its own consumption and not for resale. A Direct Customer may aggregate and schedule load for itself and other Direct Customers, but each Direct Customer continues to be responsible individually for meeting balancing and other requirements placed on Direct Customers.
<b>Distribution Line</b>	Company owned pipelines, which deliver gas directly to a Customer's facility.
<b>Dth</b>	Dekatherm. A unit of heating (or thermal) value equal to 10 Therms or one million BTUs (Energy). 1 MMBtu = 1 Dth (or dt).
<b>Dual-Fuel</b>	Capability The ability of a commercial or industrial end-user to burn fuels other than natural gas, usually coal or fuel oil, at its option.
<b>EBB</b>	Electronic Bulletin Board
<b>ESCO</b>	Energy Service Company. A gas ESCO is any party that is responsible for arranging gas deliveries to the LDC Citygate.
<b>FERC</b>	Federal Energy Regulatory 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.
<b>Firm Service</b>	The highest quality sales or transmission service offered to customers under a rate schedule that anticipates no interruption in that service. CNGC provides firm service to all gas customers.
<b>Force Majeure</b>	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 of the event asserted is of the type specifically included within the language of the clause. Courts strictly construe a force majeure.
<b>FT</b>	Firm Transportation.
<b>Fuel Loss See</b>	"Lost And Unaccounted For (LAUF) Gas" in CNGC's Tariff
<b>Gas Day</b>	A period of twenty-four consecutive hours beginning at 10:00 a.m. and ending at 10:00 a.m. Eastern Clock Time, the next calendar day.
<b>Gross Receipts Tax</b>	Comprised of New York State imposed taxes including Gross Income Tax, Gross Earnings Tax, Surcharge on Gross Revenue, Excess Dividends Taxes - plus



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	where applicable, Metropolitan Transportation Business Tax Surcharge and Municipal Tax. (Also referred to as Tax Surcharge Factor).
<b>GRT</b>	Gross Receipts Tax

<b>HEFPA</b>	Home Energy Fair Practices Act The Home Energy Fair Practices Act (HEFPA) is New York's utility consumer ``bill of rights". Adopted in 1981 to establish and consolidate in Article 2 of the Public Service Law, HEFPA outlines the basic rights and remedies of New York's residential utility energy consumers. It is one of the strongest consumer protection statutes for electric and gas customers in the nation, and is the linchpin of our State's universal service policy.
<b>Human Needs Customer</b>	High priority customers such as residences, hospitals and nursing homes, for which failure to get gas could be life threatening (also known as "Critical Care Customer").
<b>Imbalance</b>	The difference, on a daily basis, between the actual usage of the Distribution Customer's Retail Customer service points, grossed up for losses, and the quantity of gas delivered by the Distribution Customer to the Distribution Provider's system for such service points. A positive imbalance occurs when the quantity received exceeds the quantity delivered. A negative imbalance occurs when the quantity delivered exceeds the quantity received.
<b>Import Tax</b>	New York State tax imposed on volumes of gas owned by the Customer and transported into New York State via interstate gas pipelines. The tax is state mandated and remitted to New York State by the Company.
<b>IT</b>	Interruptible transportation.
<b>LAUF</b>	Lost And Unaccounted For Gas
<b>LDC</b>	Local Distribution Company. The company whose primary function is to distribute gas supply procured by it or by ESCOs or Direct Customers, to retail gas users. LDCs also provide transportation service to retail end users as well as other services.
<b>Local Gas</b>	Gas produced and delivered within New York State. Not subject to Federal agency (FERC) regulations or New York State import tax.
<b>Mandatory Release Capacity Customer(s)</b>	A Non Daily Metered Aggregation Customer or any Daily Metered Critical Care Customer without an alternate fuel.
<b>MAOP</b>	Maximum Allowable Operating Pressure. The maximum pressure at which a gas system may be operated.
<b>MDQ</b>	The maximum daily quantity of firm sales that the Company is obligated to provide to the Customer or Pool Operator.
<b>NAESB</b>	North American Energy Standards Board A nonprofit 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 gas."
<b>Negative Imbalance</b>	Quantity of gas delivered (consumption) in excess of the quantity of gas received by the Company.
<b>Nomination</b>	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.

<b>Transmission Line</b>	Pipelines which are used to transport gas to a local distribution Company
<b>UBP</b>	Uniform Business Practices (UBP Addendum)
<b>Unbundled</b>	The characteristic of having been separated, i.e. the Company's various services have been "unbundled" by various tariff revisions to allow the Company's transportation Customers to choose only the services which they require, and pay only for these services.

## **CREDITWORTHINESS**

### ***A. Applicability***

These standards apply to ESCOs/ Marketers selling natural gas to retail customers and to retail customers procuring their own energy supplies (Direct Customers). Each entity must qualify on an individual basis. These standards do not apply in circumstances involving credit risks of the wholesale energy suppliers (except to the extent associated with load balancing and settlement by the utility). No security is required in situations where, and to the extent, a utility bills customers on behalf of an ESCO/Marketer and has the right to retain funds collected by the billing to off-set utility charges (e. g., imbalance charges). A utility may require security for its delivery charges in situations where an ESCO/ Marketer bills for delivery service.

Under the applicable circumstances, the ESCO's/ Marketer's/ Direct Customer's participation in a utility's retail access program is contingent upon the ESCO/ Marketer/ Direct Customer satisfying a credit appraisal based on independent bond/ credit ratings and supplying any security that may be found necessary to meet the utility's credit requirements. Credit appraisals and security requirements will be reviewed by the utility annually, at a minimum.

### ***B. Creditworthiness Determinants for ESCOs/ Marketers (See Section E below for credit requirements for Direct Customers)***

1. An ESCO/ Marketer can satisfy the utility's credit requirement by:
  - It or its guarantor having a minimum rating of "BBB" from S&P's, "Baa2" from Moody's, or "BBB" from Fitch (" Minimum Rating"); or
2. 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. Except that an ESCO serving customers outside of such billing arrangement, must satisfy the security requirements of UBP Section 3.D with respect to those customers; or
3. 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:

For the amount by which the utility's Credit Exposure (see Section C below) for any ESCO/ Marketer exceeds 5% of the utilities total monthly revenues

For the type of service provided (e. g., 5% of total monthly gas revenues for bundled gas sales, gas transportation and gas retail access); or

-For the full amount of the Credit Exposure if (1) the ESCO/ Marketer or its guarantor is at the Minimum Rating and is placed on credit watch with negative implications by any of the three designated rating agencies or the utility receives information that indicates that the ESCO's/ Marketer's or its guarantor's credit rating could be downgraded below the Minimum Rating (which security requirement will be lifted if the ESCO/ Marketer's or its guarantor's credit rating is not downgraded during the ensuing 60 days), or (2) the ESCO's status as a Billing Agent is terminated by another New York utility for failing to render timely bills to customers or to make timely payments to the utility.

2. An ESCO/ Marketer having a minimum "1A2" rating from Dun & Bradstreet coupled with 24 months good payment history will satisfy the utility's credit requirement, but unsecured credit will be limited as

indicated below:

## **Rating Unsecured Credit**

4A1 or 4A2 30% of an ESCO's equity, up to five percent (5%) of the utility's total monthly revenues for the type of service provided

3A1 or 3A2 30% of an ESCO's equity, up to five percent (5%) of the utility's total monthly revenues for the type of service provided -2A1 or 2A2 50% of an ESCO's equity, up to \$500,000

1A1 or 1A2 50% of an ESCO's equity, up to \$375,000

The utility will have the option to require an ESCO/ Marketer to post security to cover the ESCO's/ Marketer's credit exposure in excess of the above limits.

3. The utility may require an ESCO/ Marketer with credit ratings below Minimum Rating to provide financial information for the sole purpose of verifying financial information, such as equity levels that are reported to Dun & Bradstreet.
4. The utility may, at its discretion, reduce or eliminate any security requirements as long as this standard is applied equitably to all ESCOs/ Marketers existing and new.
5. The utility may require ESCOs/ Marketers that act as Billing Agents to post security to cover the utility's delivery charges, as set forth in Section **C. 1 "Credit Exposure/ Security Calculation"** below.
6. The utility's evaluation must be completed within 10 calendar days after receiving the application. The utility must provide the rationale for its determination and the calculation supporting the credit limit and any resulting security requirement (as discussed in Section C below). The utility must perform its credit evaluation and associated security calculation in a nondiscriminatory manner.

### ***C. Credit Exposure/ Security Calculation***

If the ESCO/ Marketer meets the credit requirements in Section B, or a Direct Customer receives a waiver as set forth in Section E below, no security may be required. If the ESCO/ Marketer does not meet the credit requirements in Section B, or the requirements of Section E cannot be met for Direct Customers, security in an amount equal to the credit exposure may be sought and provided in a form as set forth in Section D below. The maximum security amounts identified below are associated with the risk of the failure of an ESCO/ Marketer, delivering a single bill for delivery and commodity service to the retail customer, to pay the utility (Paragraph 1 below), and the failure of a ESCO/ Marketer to pay the utility for under deliveries when that ESCO/

Marketer has under delivered by up to 100% of its customers' needs (Paragraphs 2 and 3 below).

### 1. Delivery

The maximum security associated with the natural gas delivery risk, where the ESCO/ Marketer bills customers for both delivery and commodity services, may be no more than 60 days of an ESCO/ Marketer's customers' projected peak period energy requirements over the coming 12 months priced at the utility's applicable delivery tariff rate, including relevant competitive transition and customer charges. The maximum security associated with the natural gas delivery risk, where the ESCO/ Marketer is acting as the customer's Billing Agent, may be no more than 45 days of an ESCO's/ Marketer's customers' projected peak period energy requirements over the coming 12 months priced at the utility's applicable delivery tariff rate, including relevant competitive transition and customer charges. The amount of security may be reduced to the extent the ESCO's/ Marketer's customers maintain direct debit agreements with the utility.

### 2. Gas Imbalances

The maximum security associated with natural gas balancing and settlement risk will be determined for each season. The seasons are defined as Summer (April 1 -October 31) and Winter (November 1 -March 31). This credit exposure may be no more than as determined by:

- (a) The maximum daily quantity (MDQ) of a Marketer's customers' projected aggregate consumption (or Direct Customer's projected consumption), based on the appropriate season of the past year;
- (b) Priced at the highest month's average daily closing NYMEX price, at the Henry Hub, plus upstream capacity charges to the city gate, for the appropriate season of the past year; and
- (c) Times 30 days. The ESCO/ Marketer may, at its option, elect to have the security determined annually, rather than seasonally, in which case it will be based on the winter season.

### ***D. Security Instruments***

Upon notification by the utility that an ESCO/ Marketer/ Direct Customer has failed to satisfy the credit requirements or, subsequently, while providing service to retail customers, no longer satisfies the credit requirements, such ESCO/ Marketer/ Direct Customer may still obtain or retain

credit approval from the utility if it pays any outstanding balance due the utility for services rendered and elects to provide one of the following, as mutually agreed by the parties:

1. An advance deposit or prepayment;
2. A standby irrevocable letter of credit issued by a bank, insurance company or other financial institution with at least an "A" bond rating;
3. Security interest in collateral found to be satisfactory to the utility;
4. A guarantee, acceptable to the utility, by another party or entity with a satisfactory credit rating of at least "BBB" by S&P, "Baa2" by Moody's or "BBB" by Fitch;
5. A lockbox mechanism as described in Section F below (not applicable for Direct Customers);
6. A surety bond from a bank, insurance company or other financial institution with at least an "A" bond rating; or,
7. Other mutually acceptable means of providing or establishing adequate security (e. g., escrow accounts, loss pooling, etc.).

If the rating of a bank or insurance company or other financial institution from whom an ESCO/ Marketer/ Direct Customer has obtained a letter of credit or surety bond falls below an "A" rating, the ESCO/ Marketer/ Direct Customer will have five (5) calendar days to obtain a substitute letter of credit or surety bond from an "A" rated bank or insurance company or other financial institution.

If the ESCO's/ Marketer's/ Direct Customer's credit standing ceases to meet the utility's credit requirements or if its financial exposure changes due to increased usage during the period of service, then the utility has the right to require security or prepayment as specified herein. The utility, however, may not request additional security unless the credit exposure increases by at least 10%, or a reasonable utility specified threshold. If the security is not tendered within five (5) calendar days after such request, then the utility may initiate a process to discontinue retail access service to the ESCO/ Marketer/ Direct Customer. Deposits received in cash will accumulate interest at the applicable rate per annum approved by the New York State Public Service Commission for Other Customer Capital. If the ESCO/ Marketer/ Direct Customer



subsequently satisfies the credit appraisal without the need for some or all of the security requirement, the utility will return the appropriate portion of the ESCO's/ Marketer's/ Direct Customer's advance deposit with accumulated interest. Similarly, if the utility's credit risk is determined to decrease by at least 10%, or a reasonable utility specified threshold, relative to the amount of security on deposit, the excess will be refunded with accumulated interest within five (5) calendar days of such determination .

### ***E. Retail Customers Procuring Their Own Energy (Direct Customers)***

The aforementioned creditworthiness standards will be waived for a customer procuring its own energy, provided that such customer's accounts are current and have been maintained current for 12 months, and provided that the customer's long-term unsecured debt securities are, and remain, rated a minimum of BBB, Baa2 or BBB by S&P's, Moody's or Fitch, respectively. If the customer's debt is not rated, its account with the utility must be current, and it must not have a poor payment history with the utility for the past 24 months.

### ***F. Lockbox Mechanism***

An alternative security mechanism for ESCOs/ Marketers will be available in the form of a "lockbox" for any of the security requirements specified above. A lockbox will reduce any security requirements to 50% of what would otherwise be required. Under the lockbox, an ESCO 's/ Marketer's customers' payment will be made to a lockbox, which will be administered by a mutually agreed-upon entity. All costs associated with implementing and administering the lockbox will be the responsibility of the ESCO/ Marketer. The allocation of funds in the lockbox between the utility and the ESCO/ Marketer, and other administrative rules, must be agreed to by both parties, with the utility having first rights on funds in the lockbox to off-set utility charges. The administrative rules will specify the terms under which the lockbox mechanism will be terminated for non-compliance. The utility, after petition to the Commission, is permitted to terminate the lockbox and request full security if expected customer payments are not received in a timely manner.

### ***G. Calling on Security***

The utility may call upon the security posted by an ESCO/ Marketer/ Direct Customer after providing five (5) days' notice to the ESCO/ Marketer/ Direct Customer whenever the ESCO/ Marketer Direct Customer fails to pay the utility within the specified time frame, unless the ESCO/ Marketer/ Direct Customer makes payment in full within the five (5)-day notice period. The utility may call upon the security posted by an ESCO/ Marketer/ Direct Customer without prior notice if the ESCO/ Marketer/ Direct Customer files a petition in bankruptcy (or equivalent, including the filing of an involuntary petition in bankruptcy against the ESCO/ Marketer/ Direct Customer) or for any reason an ESCO/ Marketer ceases to provide service to its customers under the utility's program. If an ESCO/ Marketer, acting as a Billing Agent, has posted security with a utility, the utility will apply the security to the customers' delivery charges and customer late payment charges (if applicable) for any unpaid amounts due from customers.

## **CUSTOMER INFORMATION**

Competition is available to all customers on Corning's System regardless of Service Class, and is not restricted by amount of usage, or group size. The following are the rules and regulations that the ESCO/Marketer and the Utility will follow in providing Customer Information to the ESCO/Marketer.

### ***A. Historical***

1. An ESCO shall obtain customer authorization to request information. 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 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 or for the length of the sales agreement whichever is longer, verifiable proof of authorization for each customer. Verification records shall be provided by an ESCO, upon request of the Department, within five calendar days after a request is made. Locations for storage of the records shall be at the discretion of the ESCOs.

4. Utilities will provide within 2 business days, free of charge to customers or their authorized designees, at least 24 consecutive months (or for the life of the account, if less) of the customer's most recent usage and billing information for each of the customers' accounts. A fee of \$15.00 may be charged for each year of data beyond the 24-month period and for any third request for the 24 months of data in any 12-month period. Information not identified below will be supplied, if available, at the utility's incremental cost. The usage and billing information will be made available via a spreadsheet format provided by Corning and agreed upon by all parties. The usage and billing information to be provided free of charge shall include: meter reading dates, consumption (MCF/ CCF),

total dollars billed for the billing period, service classification, currently listed tax district, current meter number (where applicable) and type of meter reading (by company, by customer, or estimated). Where more than one meter is associated with an account, the applicable information will be provided for each meter, where available. In the case where both an electric and a gas meter are associated with an account, Credit information will be made available free of charge for the most recent 12 month period, but only upon written authorization from the customer. A fee of \$15 may be charged for each year of credit information beyond the 12-month period. Credit information to be provided, shall be limited to whether or not the customer had late payments and/ or had been disconnected during the past 12 months.

All free information will be available at the time requested or as prescribed by the utility's tariff. If additional information (as defined above) is requested, a response will be provided within five calendar days of the request, either supplying the requested information, specifying when such information will be provided, or advising that such information does not exist. All historical customer information obtained from a utility by an ESCO/ Marketer must be kept confidential and not disclosed to others, unless otherwise authorized by the customer. All other customer information, such as account numbers (and any passwords used, if applicable), telephone numbers and service addresses shall also be kept confidential and not disclosed to others, unless otherwise authorized by the customer.

- A. Utility will not disclose a customer's billing, usage and credit history to an ESCO/ Marketer if that customer has notified the utility, in writing, that such information should not be disclosed or, regarding credit history information, has not provided written authorization for its release. The information may thereafter be disclosed to an ESCO/ Marketer only with the customer's written authorization.
- B. Utilities will make available to ESCOs/ Marketers/ Direct Customers all data recorded by and currently retrieved from their customer meters and all other information necessary to compute the customer's most recent bill. All such information to be furnished by the utility will be provided electronically, at no charge, to ESCOs/ Marketers/ Direct Customers when the data is acceptable by the utility to bill its customers. Where estimated meter

readings are used, the estimates will be provided free of charge to ESCOs/ Marketers/ Direct Customers when the data is acceptable by the utility to bill its customers. All subsequent changes or corrections and adjustments to previously supplied data and metering equipment will be made available to the ESCOs/ Marketers/ Direct Customers when the data is acceptable to be used for its customers.

## **UNIFORM UTILITY BILLING AND COLLECTION SERVICES AND CHARGES**

### ***A. Invoices***

Utilities will issue invoices to ESCOs/ Marketers/ Direct Customers monthly for imbalances, charges for extraordinary customer data provided on request, i. e., over and above the information provided without charge, special meter reading charges, adjustments to prior invoices and other retail tariff services provided at the request of the ESCOs/ Marketers/ Direct Customers. Services requested directly by customers will be billed directly to the customers unless ESCOs/ Marketers request that those charges be billed to them instead. This option does not apply to the Single Retailer Model. The provisions described below relate only to retail access billing and collection services and charges to be paid by ESCOs/ Marketers/ Direct Customers. The costs of any payment defaults that occur due to mutually agreed-upon terms between a utility and an ESCO/ Marketer/ Direct Customer may not be borne by any other customers/ ratepayers or other ESCOs/ Marketers/ Direct Customers.

### ***B. Invoice Payments***

#### **1. Terms of Payment**

Bills are payable upon presentation and are subject to late payment charges. ESCOs/ Marketers/ Direct Customers will pay the full amount stated in the invoice, without deduction, set-off or counterclaim, within 20 calendar days from the date of the invoice transmittal. On the first day following the grace period, late payment charges at the rate of 1.5% per month will be applicable to all overdue-billed amounts, including arrears and unpaid late payment charges. (Note: Payment of customers' charges, on behalf of customers, by a Billing Agent, are due within 25 calendar days of the Billing

Agents' receipt of the customers' billing information, subject to the requirements under "Billing Agency Requirements" herein.) Because an ESCO/ Marketer/ Direct Customer or utility may request expeditious resolution by the New York Department of Public Service of a complaint or dispute, bills will not be suspended as a consequence of a complaint filed. Utilities and ESCOs/ Marketers/ Direct Customers are permitted to, by mutual agreement, develop customized billing and collection arrangements. Claims that invoices are not correct must be made in writing and postmarked no later than three months after the disputed invoice was mailed or provided electronically.

### 2. Payment Form

Payment for services will be rendered to the utilities by electronic funds transfers. Utilities and ESCOs/ Marketers/ Direct Customers are permitted to, by mutual agreement, establish other forms of payment.

### 3. Application of Payments

Unless otherwise agreed to by the utility and the ESCO/ Marketer/ Direct Customer, payments will be applied to arrears first and then to current charges.

### 4. Failure to Make Payment

Upon failure of the ESCO/ Marketer/ Direct Customer to make any payment when due, the utility may draw down on any security that may be available (as described in the Creditworthiness section).

## ***C. Billing Questions and Disputes***

### 1. Access to Billing Back-up Information

- (a) CNGC will make the necessary data available to ESCOs/ Marketers/ Direct Customers to perform necessary billing back- up calculations.

### 2. Inquiries

- (a) All questions concerning invoices should be directed to a pre-specified department (by department name and telephone number) within the utility, as shown in their individual program documents. This department will direct such inquiries to the appropriate areas of responsibility, which will be available to explain how the invoice amounts were determined.

- (b) Responses to billing inquiries will be acknowledged in writing or by electronic transmission promptly, but no later than five calendar days from the utility's receipt of the inquiry. The utility will investigate and respond to the complainant, in writing, no later than 20 calendar days from the utility's receipt of the inquiry.

### 3. Overpayments

- (a) Overpayments made by an ESCO/ Marketer as a result of an inaccurate invoice or as determined through the Dispute Resolution Process will be credited to the ESCO's/ Marketer's account if a prior shortage exists or will be refunded otherwise. Such credit or refund will occur within five calendar days of a determination that an overpayment occurred. Such overpayments will earn interest at the rate of 1.5% per month from the date of the overpayment until the date of the credit or repayment, whichever applies. The refund will be rendered to the ESCO/ Marketer by electronic funds transfers or other means as may be mutually agreed upon by the ESCO/ Marketer and the utility.
- (b) Overpayments made voluntarily by an ESCO/ Marketer/ Direct Customer will be credited to the ESCO's/ Marketer's account and will not earn interest unless the overpayment is applied to the security deposit account.

### ***D. Charges to ESCO/ Marketers from Utility***

Utilities may charge ESCOs/ Marketers/ Direct Customers for the following:

1. Energy imbalances, based on each utility's tariff or operating agreement.
2. Late payment charges, at a rate of 1.5% per month, applicable to all overdue billed amounts, including arrears and unpaid late payment charges and to under billings, as determined through the Dispute Resolution Section, herein. Interest on the latter is only payable when associated with a finding of deficiency on the part of the party holding the funds determined to be due the other party.
3. Additional historical customer usage, billing and credit information available upon request under the "Historic Customer Information" section requirements.

4. Special meter reading charges, as described in the "Switching Requirements" section.
5. Other rates and charges approved by the Commission and set forth in the utility's tariff, including, but not limited to, transportation or distribution rates, miscellaneous surcharges and taxes.

## **NEW DELIVERY CUSTOMER REQUIREMENTS**

### ***A. Process Required for ESCOs/ Marketers/ Direct Customers to Notify Utilities of New Delivery Customers (e. g., Customers that are initiating delivery service)***

1. New delivery customers may initiate service by contacting the utility and/ or an ESCO/ Marketer. The ESCO/ Marketer/ Direct Customer must provide the utility with the application for service of new delivery customers choosing the ESCO/ Marketer for supply with the ESCO's/ Marketer's/ Direct Customers' authorized signatures or unique identifiers. The utilities will acknowledge receipt of the customer's application for service within five (5) calendar days.
2. Applications for service for new residential service for applicants whose previous utility bills, if any, have been paid or are covered by a deferred payment plan, and that do not require construction, must be submitted at least ten (10) business days prior to the requested service date; other applications for service must be submitted at least fifteen (15) calendar days prior to the requested service date. All applications for service will contain the information identified below.
3. The point to which this information is to be submitted:  
Customer Service Representative  
607-936-3755x221  
  
Energy Supply Specialist  
607-936-3755x267



### ***B. Information to Be Submitted by ESCO/ Marketer/ Direct Customer***

1. ESCOs/ Marketers/ Direct Customers must provide the name, service address, mailing address and telephone number and universal account number, when established, of new customers that will need delivery service from utilities, as specified in the utility's tariff.
2. ESCOs/ Marketers acting as the customer's agent in establishing utility delivery service must provide the information about the customer that the utility needs to establish service.
3. ESCOs/ Marketers/ Direct Customers must also provide information about the customer's special needs, if any, including life support equipment.

### ***C. Commencement of Service***

For new delivery customers, services will commence after all connections are complete in accordance with provisions of the utility's non-retail access tariff. A special meter reading, as applicable, will then be performed at no charge.

Except for the Single Retailer Model, new delivery customers must be accepted by the utility before service may commence; any conditions set forth in the tariffs for the initiation of service to such new delivery customers apply.

### ***D. Initiation of Service Fees, Deposits, or Other Requirements***

Any fees, deposits requirements, or other charges identified in a utility's tariff will apply to initiation of service to new delivery customers.

***E. Special Meter Reading Fees***

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

**SWITCHING REQUIREMENTS**

***A. Process Required for ESCOs/ Marketers/ Direct Customers to Notify Utilities of Switches:***

1. ESCOs/ Marketers/ Direct Customers must provide to utilities notices of requested switches via a spreadsheet format provided by Corning and agreed upon by all parties, at least fifteen (15) calendar days prior to the requested switch dates.
2. The utilities will acknowledge receipt of the switch notices within five (5) calendar days.
3. The point to which this information is to be submitted,  
Customer Service Representative  
607-936-3755x221  
  
Energy Supply Specialist  
607-936-3755x267

***B. Information to Be Submitted by ESCO/ Marketer/ Direct Customer:***

1. ESCOs/ Marketers must provide the name, service address, mailing address and account number (or meter number if under the Single

Retailer Model), or the universal account number if established, of the customers to be switched.

2. ESCOs/ Marketers/ Direct Customers must also provide information about the customers' Special Needs, if any (mandatory if reselling delivery services; optional otherwise). The Utilities reserve the right to verify the information on an existing customer who had not previously advised the utility that he or she, or a member of his or her household, had Special Needs.

### ***C. Notice Period Required and Switch Date***

1. The notice for a gas switch must be submitted at least fifteen (10) calendar days before either the customer's regular meter reading date or the first of the calendar month, as specified in each utility's tariff.
2. The gas switch will then occur on either the customer's regular meter reading date or the first of the calendar month, as specified in each utility's tariff.

### ***D. Frequency of Switches Allowed***

1. The utility shall impose no restrictions on the number or frequency of changes of gas or electric providers.
2. If utilities can show that the frequency and/ or pattern of switches is having negative impacts on the system, the utility, or other customers, they can propose measures to address such impacts at that time.

### ***E. Switching Fees***

1. There will be no charge for a switch to or from an ESCO/ Marketer to another ESCO/ Marketer or back to the utility company

### ***F. Special Meter Reading Fees***

Up to \$20 may be charged to the party (ESCO/ Marketer/ Direct Customer or retail access customer) requesting a (physical) special meter reading, as may be established by each utility in its retail access tariff. A special meter reading is a meter reading performed on a date other than the customer's regularly scheduled meter reading date.

### ***G. Verification of Accounts***

1. The utility will provide notice of receipt of a switching request to the current ESCO/ Marketer, if any, as discussed further in the "Slamming Prevention Process" section.
2. To enable the parties to verify accounts, the utility shall provide a monthly sync list, which includes the ESCO's/ Marketer's customers that are currently active, pending enrollment, or cancelled within the last 12 months.

## ***H. Budget Billing Adjustments***

Utility budget billings -also called "level billing" or a "levelized payment plan" - will be adjusted at the switch dates as required to reflect changes in utility service and will be reflected in the customers' next bills.

## **SLAMMING PREVENTION PROCESS**

- A. Slamming, defined as a switch of a retail customer from one provider to another without the customer's authorization (except as may be allowed under the "Discontinuance of Service" provisions discussed later), is not permitted. To minimize the chance of slamming, the following process must be used:
  1. To request a switch, ESCOs/ Marketers must notify the utility of the switch using the process outlined under the "Switching Requirements" section.
  2. Upon receipt of the switch request from an ESCO/ Marketer, the utility will send a verification letter, at least five calendar days prior to the switch date, to the affected customer and notify the incumbent ESCO/ Marketer, if any, that is serving the customer at that time. CNGC will notify incumbent ESCOs/ Marketers about customer enrollment information electronically.
  3. The verification letter must advise the customer of the switch request and ask that he/ she contact the designated utility within five calendar days if the switch request information is incorrect. The general content of the letter must be filed with the New York State Department of Public Service for review before it is used for this purpose.
  4. If the customer notifies the utility that the request is not valid, the switch will not be made or will be reversed.
  5. All unauthorized switches must be reported by the utility to the New York State Department of Public Service.
- B. ESCOs/ Marketers that switch customers without the customers' authorizations will be fully responsible for all wrongful charges applied to the customers' bills and for all reasonable costs incurred by the utilities. Such ESCOs/ Marketers'

eligibility to serve retail customers in New York State may also be terminated by the New York State Public Service Commission and/ or a monetary penalty may be imposed.

- C. ESCOs/ Marketers shall retain, for a minimum of two years or for the length of the sales agreement whichever is longer, verifiable proof of authorization for each customer. Such documentation must be in the form of one of the following:
1. Written agreements signed by the customers;
  2. Recordings of voice verifications made by ESCOS/ Marketers of the customer's verbal commitments; or
  3. Electronic transmittals that can be shown to have originated with the customers.

## **BILLING AND PAYMENT PROCESSING**

### **A. Applicability**

This Section establishes requirements for billing and payment processing options offered by the utility or by an ESCO in a multi-retailer model. This Section does not establish requirements for billing and payment processing in the single retailer model. The 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. The 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. The 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. 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.
4. The 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.
5. The utility shall make validated usage information available to the billing and non-billing parties at the time that the utility determines that the information is acceptable.
6. Information on customer usage, billing, and credit is confidential. The utility may release such information, upon a customer's authorization, in accordance with the UBP Section 5, Changes in Service Providers.
7. Reserved for future use.
8. An ESCO shall provide 60 calendar days' notice by mail, e-mail or fax to the utility of any plan to offer a billing option that is not currently offered to its customers. The utility may agree to a shorter notice period preceding initiation of the option.
9. The utility and ESCO are responsible for separately remitting their tax payments to the appropriate taxing authorities.
10. Where the ESCO is the billing party, it may offer a customer an option of prepayment. Where the utility is the consolidated billing party, the utility is not required to support processing of prepayments or application of customer prepayments to ESCO charges.

### **C. Consolidated Billing: General Requirements**

1. The utility and ESCO shall establish in a billing services agreement (BSA) detailed expectations for their responsibilities, including consequences for any failure to carry out such responsibilities.
2. The utility has elected to use the rate ready method<sup>1</sup> for issuing consolidated bills. An ESCO that offers consolidated billing shall use a bill ready method.

### **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, 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;
  - 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.
  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.

#### 3. Suspension and Discontinuance

a. The 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 BSA. 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 the 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 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 utility to offer consolidated billing. The 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. After receipt of the change request, the utility shall, within five business days, acknowledge receipt of the request and, within two days, provide a response indicating rejection and the reason or acceptance and the effective date.

2. The utility may not impose any 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. The 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 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, utility or ESCO. An ESCO that provides consolidated billing shall state on its consolidated bill the unadjusted 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, Utility Content, separately stated for the 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 utility information listed in Attachment 3, ESCO Section Content, to the extent necessary for the utility to calculate and issue bills. To initiate utility consolidated billing using the rate ready method, an ESCO shall provide the information to the 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 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 at the same time 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. The 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 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 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 a 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 website, 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>1</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:

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<sup>1</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. 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 utility 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.

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>2</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

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<sup>2</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.

- a. The billing party 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.
- 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 Section 9.J.4.a.<sup>3</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 BSA.

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

- a. Except as provided in Section 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 Section 9.J.6 d., when a customer changes 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, the 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 utility.

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<sup>3</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.



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.

### 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 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 utility and the ESCO separately.

2. The distribution utility's bill shall conform to the standards set by the Public Service Commission.

3. The utility 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.

## METERING

Unless and until such time as the Commission determines otherwise, the following metering provisions will apply:

The utility may require customers participating in daily balancing programs to install a Commission-approved meter upgrade with the cost of such meter upgrade and installation to be borne by the customer and with the utility retaining sole control of the meter and responsibility for the installation, maintenance and compliance with Commission regulations. The utilities will allow large commercial and industrial customers (as defined in their individual tariffs) to have the option of owning Commission-approved meters, with the utility retaining sole control of those meters.

Such customers, or their designees, will be allowed to receive meter data on a real-time or other basis, without incurring a fee, provided that such customers install and maintain, at their own expense, the necessary ancillary equipment required to provide such data. Such access may require the installation by the utility of a different type of meter/ recorder that will allow multiple access, with the cost responsibility of such meter/ recorder and installation to be borne by the customer and with the utility retaining sole control of the meter and responsibility for the installation, maintenance and compliance with Commission regulations.

## DISCONTINUANCE OF SERVICE

- A. Voluntary Discontinuance of ESCO/ Marketer Operations in a Utility's Service Area
1. An ESCO/ Marketer may discontinue operations (in whole or significant part) in a utility's service territory at will (subject to any penalties or sanctions that may arise due to contractual obligations), upon submission of a written notice to the utility and the ESCO's/ Marketer's customers at least fifteen (15) calendar days prior to the discontinuance date. The notice to retail customers must inform them:
    - (a) That the discontinuance will occur at the first meter reading date or the first of the month after the notice period expires or the utility may estimate the readings at the discontinuance date or provide a special reading;
    - (b) Of their option either to select another ESCO/ Marketer to be their energy service provider or to return to regulated utility service;
    - (c) That if they do select other ESCOs/ Marketers, those entities will file switch requests with the utility on their behalf, and there will be no fee charged by the utility for the switches;
    - (d) That after the discontinuance and unless/ until new ESCOs/ Marketers are selected and the switches are completed, service will be provided by the utility company under its applicable tariff rate, unless such utility has notified the customer that delivery services will be terminated on or before the discontinuance date and (e) that there will be no switching fee charged by the utility to the customer for a switch back to the utility, whether as an interim measure until a new ESCO/ Marketer is selected or as a permanent action.
  2. The utility will also send, within five calendar days of the notice from the ESCO/ Marketer, a notice to the ESCO's/ Marketer's customers containing the same information as required above, but also providing a list with names and telephone numbers of eligible ESCOs/ Marketers which have indicated a willingness to serve retail customers in the utility's service area.



3. If the utility learns that an ESCO/ Marketer has discontinued operations in its service territory without giving the proper notice to retail customers and to the utility in accordance with the above requirements prior to discontinuing operations, the utility will immediately inform the Commission and then, voluntarily or if directed, notify all of the ESCO's customers as required above. In the notification, the utility will also advise the customers that, effective immediately, their service is being provided by the utility under the standard tariff rate and that payment for such service from the date of the notice until a subsequent switch takes place must be made to the utility.
4. If the ESCO/ Marketer does not give notice to its retail customers and to the utility in accordance with the above requirements prior to discontinuing operations, the ESCO/ Marketer may be determined ineligible by the New York State Public Service Commission to sell natural gas to retail customers in New York State and/ or may be assessed a monetary penalty by the New York State Public Service Commission.
5. Upon the discontinuance of an ESCO/ Marketer, the ESCO/ Marketer will remain responsible for payment or reimbursement of any and all sums owed under the utility's tariff on file with the Commission or the Federal Energy Regulatory Commission ("FERC"), and service agreements relating thereto, or under any agreements between the ESCO/ Marketer and the utility. The ESCO/ Marketer will also remain obligated to customers to the extent provided for in any contracts with them.
6. Upon receipt of a switch request from a subsequent ESCO/ Marketer following the discontinuance notice, the utility will verify the intended switch with the customer in accordance with the "Slamming Prevention Process" section, e. g., the utility will notify the customer within five calendar days of the switch request.
7. If a more expeditious discontinuance process is judged to be needed in a specific situation, the ESCO/ Marketer may request such expedited treatment upon a showing of need to the Commission or its designee, which will have the authority to grant such a request. The Commission or its designee may also, for good cause, initiate an expeditious discontinuance process on its own motion. Utilities will also have standing in any such processes.
8. Sample copies of the form of the notices to customers under this process will be provided to the New York State Department of Public Service for review at least five calendar days before the letters are sent to customers.

### B. Discontinuance of Sales by ESCO/ Marketer to Individual Retail Customer

1. An ESCO/ Marketer may discontinue sales to individual retail customers in a utility's service territory at will (except as may be otherwise limited by contracts with customers), upon submission of a notice to those individual customers and to the utility at least 15 calendar days prior to the discontinuance date. The notice to retail customers must inform them:
  - (a) Of the date of the discontinuance (which should be at each customer's next meter read date or the first of the month, consistent with the utility's switching tariffs);
  - (b) Of their option either to select another ESCO/ Marketer to be their energy service provider or to return to regulated utility service;
  - (c) That if they do select other ESCO/ Marketers, those entities will file switch requests with the utility on their behalf, and there will be no fee charged by the utility for the switches; and
  - (d) That after the discontinuance and until new ESCOs/ Marketers are selected and the switches are completed, service will be provided by the utility company under its applicable tariff rate, unless such utility has notified the customer that delivery services will be terminated on or before the discontinuance date.
2. Sample copies of the form of the notices to customers under this process will be provided to the New York State Department of Public Service for review at least five calendar days before the letters are sent to customers.
3. If the ESCO/ Marketer does not give the required notice to its retail customers and to the utility, the ESCO/ Marketer may be determined ineligible by the New York State Public Service Commission to sell electricity or natural gas to retail customers in New York State and/ or may be assessed a monetary penalty by the New York State Public Service Commission.
4. Upon receipt of a switch request from a subsequent ESCO/ Marketer following the discontinuance notice, the utility will verify the intended switch with the customer in accordance with the "Slamming Prevention Process" section, e. g., the utility will notify the customer within five calendar days of the switch request.

- C. Involuntary Discontinuance of an ESCO's/ Marketer's/ Direct Customer's Right to Provide Service to Retail Customers
1. The utility will have the right to initiate a process to discontinue an ESCO's/ Marketer's/ Direct Customer's participation in the utility's retail access program:
    - (a) Where the utility determines that it is necessary or desirable for safety or for system reliability reasons
    - (b) Where the ESCO/ Marketer/ Direct Customer fails to comply with the terms and conditions of the utility's tariff or distribution operating agreement;
    - (c) Where there is a continued pattern of attempts to transfer retail customers without proper customer authorization (slamming);
    - (d) Where the FERC issues an order authorizing discontinuance of participation by the ESCO/ Direct Customer under the utility's open access transmission tariff;
    - (e) Where a court of competent jurisdiction issues an order authorizing discontinuance of the ESCO/ Marketer/ Direct Customer; ,
    - (f) Where the New York State Public Service Commission has determined that the ESCO/ Marketer is not eligible to sell electricity or natural gas to retail customers in the state, for reasons including:
      - (1) An ESCO's/ Marketer's failure to adhere to the policies and procedures described in its disclosure to customers;
      - (2) Failure to comply with prescribed consumer protections;
      - (3) An unacceptably high volume of customer complaints;
      - (4) Failure of an ESCO to comply with applicable ISO and Power Exchange requests;
      - (5) Failure to comply with prescribed reporting requirements;
      - (6) Failure to comply with oversight requirements;

- (7) Failure to apprise the New York State Public Service Commission of all material changes in the information in the applicant's initial filing;
  - (8) Failure to comply with the voluntary discontinuance requirements set forth above; or
  - (9) Failure to comply with other applicable requirements of the New York State Public Service Commission, including those in Opinion No. 97-5; Opinion and Order Establishing Regulatory Policies for the Provision of Retail Energy Services, issued May 19, 1997, in Case 94-E-0952; and, in the Order Clarifying Consumer Protections, issued October 25, 1996, in Cases 93-G-0932, et. al.; or
  - (g) Where the ESCO/ Marketer/ Direct Customer fails to pay a bill for delivery services or an imbalance charge when due, does not pay the bill within 10 calendar days after being notified of the non-receipt of payment, and the available security is or will be insufficient to cover the amount of default.
- 2. The utility may initiate the process to discontinue an ESCO/ Marketer/ Direct Customer by providing the ESCO/ Marketer/ Direct Customer a notice (with a copy to the New York State Public Service Commission) that advises the ESCO/ Marketer/ Direct Customer that its right to switch additional customers is suspended immediately. The notice shall also state that unless the stated cause for the discontinuance is corrected within a designated period (not less than 10 calendar days) from the ESCO's/ Marketer's receipt of the notice, or the New York State Public Service Commission, or its designee, requires otherwise, the ESCO's/ Marketer's existing customers will be notified that the ESCO/ Marketer will be discontinued. The discontinuance will take place no longer than fifteen (15) calendar days after the end of the designated period to cure the problem except that in cases of non-payment of invoices, the continuance will take place at the end of the designated period. Discontinuance of Direct Customers may be initiated by a similar notice stating that unless the identified cause is corrected within the designated period (e. g., not less than 10 calendar days), or the New York State Public Service Commission, or its designee, requires otherwise, the Direct Customer will no longer be allowed to procure its own energy supplies. The discontinuance process will stop if the ESCO/ Marketer/ Director Customer corrects the problem within the ten (10) -day periods, unless otherwise directed by the Commission. If a more expedited

process is deemed necessary for any discontinuance, the process outlined in sub-section 6 below may be followed.

3. The utility may suspend or discontinue an ESCO/ Marketer/ Direct Customer immediately if an imminent risk exists that compromises the safety or operational reliability of the utility's system. Notices will be sent to customers as specified in subsection 4 below.
4. The notices to be sent to customers by utilities will advise them:
  - (a) That the discontinuance will (or did) occur at the first meter reading date, or the first of the month, or another date where the utility may estimate the readings at the discontinuance date or provide for a special meter read;
  - (b) Of their option either to select another ESCO/ Marketer to be their energy service provider or to return to regulated utility service;
  - (c) Of the names and telephone numbers of eligible ESCOs/ Marketers that have indicated a willingness to serve retail customers in the service territory;
  - (d) That if they do select other ESCO/ Marketers, those entities will file switch requests with the utility on their behalf, and there will be no fee charged by the utility for the switches; and
  - (e) That after the discontinuance and unless/ until new ESCO/ Marketers are selected and the switches are completed, service will be provided by the utility company under its applicable tariff rate, unless such utility has notified the customer that delivery services will be terminated on or before the discontinuance date.
5. Sample copies of the form of the notices to customers will be submitted to the Department of Public Service for review at least five calendar days before the letters are sent to customers.
6. If a more expeditious discontinuance process is judged to be needed in a specific situation, the utility may request such expedited treatment upon a showing of need to the Commission or its designee, which will have the authority to grant such a request. The Commission or its designee may also, for good cause, initiate an expeditious discontinuance process without a request by a utility. The ESCO/ Marketer/ Direct Customer will have standing in any such process.

7. ESCOs/ Marketers may contest any suspension or proposed discontinuance by use of the "Dispute Resolution Process" if that process is initiated in a timely manner.
8. Upon any discontinuance of an ESCO/ Marketer, the ESCO/ Marketer will remain responsible for payment or reimbursement of any and all sums owed under the utility's tariff on file with the Commission or the FERC, and service agreements relating thereto, or under any agreements between the ESCO/ Marketer and the utility. The ESCO/ Marketer will also remain obligated to customers to the extent provided for in any contracts with them.
9. Upon receipt of a switch request from a subsequent ESCO/ Marketer following the discontinuance notice, the utility will verify the intended switch with the customer in accordance with the provisions under the "Slamming Prevention Process" section, e. g., the utility will notify customers within five calendar days of the switch request.

### D. Discontinuance of a Direct Customer

A Direct Customer may voluntarily discontinue securing its own energy supplies by notifying the utility of its intent to discontinue acting as a Direct Customer and to switch to another supplier or to return to utility service in accordance with the provisions under the "Switching Requirements" section previously presented. A Direct Customer may be involuntarily discontinued for the reasons, and in the same manner, as an ESCO/ Marketer would be discontinued, to the extent applicable (see Section C above), except that notices to customers are not required where the Direct Customer is a single customer.

### E. Assignment of ESCO/ Marketer Contracts

1. An ESCO/ Marketer may assign customer contracts to other eligible ESCOs/ Marketers and transfer the rights to serve those customers, provided that the ESCO's/ Marketer's contracts and disclosure statements clearly state that such assignments and transfers may occur. The assignment and transfer may be initiated upon submission of a notice to the utility, the Commission and the ESCO's/ Marketer's customers at least fifteen (15) calendar days prior to the transfer date. The notice to the utility and the Commission will include a copy of the assignment document( s) executed by officers of all the involved ESCOs/ Marketers and a copy of the notice being sent to customers. The notice to retail customers will inform them:

- (a) Of the date( s) of the assignments;
  - (b) That service will be provided by the assigned ESCO/ Marketer;
  - (c) Of any changes in the contract or disclosure statement terms (to the extent permitted by the existing contracts or disclosure statements), including ministerial changes such as telephone numbers, mailing addresses, etc.
- 2. The utility will also send a notice, within five (5) calendar days of the notice from the ESCO/ Marketer, to the ESCO's/ Marketer's assigned customers advising them that transfer requests have been received and will be executed.
- 3. Sample copies of the form of the notice to customers will be submitted to the New York State Department of Public Service for review at least five (5) calendar days before the letters are sent to customers.
- 4. If the utility learns that an ESCO/ Marketer has assigned customers and transferred service to other ESCOs/ Marketers without giving the required notices (in contracts and/ or disclosure statement and in the letters to be sent at least 15 days prior to the transfer of service) to retail customers and to the utility in accordance with the above requirements, the utility will immediately inform the New York State Department of Public Service and then, if directed, notify all of the ESCO's/ Marketer's customers in accordance with the procedures noted above.
- 5. If an ESCO/ Marketer does not give the required notices to its retail customers, the utility and the Commission in accordance with the above requirements prior to transferring customers, the ESCO/ Marketer may be determined ineligible by the New York State Public Service Commission to sell natural gas to retail customers in New York State and/ or may be assessed a monetary penalty by the New York State Public Service Commission.
- 6. The assignment document( s) (copies of which will be provided to the utility and the Commission) will indicate which party will be responsible for payment or reimbursement of any and all sums owed under the utility's tariff on file with the Commission or FERC, and service agreements relating thereto, or under any agreements between the ESCO/ Marketer and the utility and between the ESCO/ Marketer and customers.



7. If a more expeditious transfer process is needed in a specific situation, the ESCO/ Marketer may request such expedited treatment upon a showing of need to the New York State Public Service Commission or its designee, which will have authority to grant such a request. The utility company will have standing in any such process.

### DISPUTE RESOLUTION PROCESS

It is the desire and intent of the utility to resolve disputes between itself and the ESCOs/ Marketers/ Direct Customers through informal means, such as telephone conversations or meetings. Should those good-faith efforts fail, the following process is to be followed to address all retail access disputes/ complaints between ESCOs/ Marketers/ Direct Customers and the utility with respect to retail access program issues. Disputes involving retail customers, of either the ESCOs/ Marketers or of the utility, are not addressed by this process. Each ESCO/ Marketer/ Direct Customer and utility will designate specific personnel to be responsible for responding to complaints and disputes under this process. The parties may also pursue other legal mechanisms to address complaints and disputes.

- A. Any ESCO/ Marketer/ Direct Customer or utility may initiate the dispute resolution process by presenting a written description of the dispute/ complaint and a proposed resolution to the other party(ies) involved in the dispute, sent in a manner that will verify its receipt.
- B. The other party(ies) must, as soon as possible, but in no case more than 15 calendar days following receipt of the complaint, provide a written response to the complaining party(ies), with an alternative resolution proposal if the complaining party's(ies') proposed resolution is deemed unacceptable; or, with the results of any informal resolution that may have been reached with the other party(ies) prior to that date.
- C. No later than ten days after receipt of the response, if the initial exchange of written material (and perhaps verbal discussions) does not resolve the dispute, the complaining party(ies) or Department Staff may request a meeting( s) to discuss the matter further. The responding party(ies) must agree to such a meeting(s) to be held within 15 calendar days following the request, upon advance notice to Department Staff, unless the parties and Department Staff agree upon another date.
- D. The parties may agree to use alternative dispute resolution techniques and mutually agreed upon time frames that may differ from those defined in the dispute solution process.
- E. If a resolution is not obtained within 45 calendar days after the initial complaint letter or the mutually agreed-upon time frame, either party may request an



initial decision from the Department. A party to the dispute may appeal the initial decision to the Public Service Commission. If the parties reach a mutually acceptable resolution of the dispute, they shall provide to the Department Staff a description of the general terms of the resolution.

- F. 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 Department 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.
- G. If a dispute involves the accuracy of invoiced charges, the invoiced charges must be paid, subject to refund with the applied interest (1.5% per month). This interest is only payable when associated with a finding of deficiency on the part of the party holding the funds determined to be due the other party.
- H. If any reasonable resolution between an ESCO/ Marketer/ Direct Customer, including the utility's affiliate, and the utility results in generic competitive benefits, those benefits should also be available on a prospective basis to other ESCOs/ Marketers/ Direct Customers, including the affiliate of that utility, where applicable, in that utility's service territory.
- I. All correspondence or documents to be delivered from one party to another under this process must be sent in a manner that provides verification that it is received within the time periods specified by this dispute resolution process.

## **REQUIREMENTS FOR POOL OPERATIONS:**

All communications regarding emergency gas supply deliveries should be directed to the following contact:

Corning Natural Gas Corporation  
330 West William Street  
P.O. Box 58  
Corning, NY 14830-0058

Name: Marie Husted  
Title: Gas Supply Analyst  
Phone: (607) 936 – 3755 x 219  
Fax: (607) 962 – 2844  
Cell Phone: (607) 542 – 5517  
E-Mail: [mhusted@corninggas.com](mailto:mhusted@corninggas.com)

Period: Normal Working Hours

Answering Service

Phone: (607) 936- 3755

Period: Mon- Fri. 5:00pm – 8:00am, Weekends & Holidays

## NOMINATING PROCEDURES

Nominations for first of the month deliveries are due at the Company no later than 2:00pm on the third to last business day of the preceding month. During the month, nomination forms are due to CORNING NATURAL GAS CORP. (CNGC) by 10:30 am Eastern Clock Time (ECT) (See Forms Appendix for CNGC's Nomination form). The DCQ for marketer's pool of SC6 & SC14 customers is not adjusted during the calendar month so that the total daily contract quantity will change on a monthly basis only, barring emergency situations. All other transportation service classifications are subject to scheduling nominations as identified in this document.

All nominations and changes at CNGC's city gate are confirmed, by CNGC, with the upstream pipeline prior to gas flowing. Nominations and changes will be refused when the Enduser Account nomination does not match the pipeline nomination.

### PRE-MONTH NOMINATION TIMETABLE

Business Days Prior Beginning of Month	Time	Activity
3 days	2:00 PM	Supply noms for 3rd Party are due

### DAILY NOMINATION TIMETABLE FOR NEXT DAY'S FLOW

Time	Nom Type	Activity
10:30 AM <u>NEXT</u> gas day	Supply - 3rd Party	Supply noms locked for 3rd Party Capacity

All times are Eastern Clock Time

Nominations for Saturday, Sunday, and Monday must be received Friday by deadlines

## **DAILY CONTRACT QUANTITY (DCQ) PROCEDURES:**

CNGC will fax no later than end of business on the fifth to last business day of the preceding month DCQ nomination requirements to the marketers for all SC6 & SC14 pools. The Company shall determine the DCQ for each SC6 & SC14 pool by using a consumption model based on customer's historic usage pattern. The pool's DCQ shall be recalculated on a monthly basis and the previous month's imbalance will be factored into the calculation. The marketer must receive permission from CNGC if they intend to nominate a pool volume that differs from the calculated DCQ.

### **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, CNGC will conduct an annual critical day simulation exercise. CNGC will determine the timing of this exercise with input from market participants.

### **SYSTEM ALERTS (SA)**

System Alerts (SAs) are announcements of actual or pending events that, if unchecked, may result in an OFO being issued. The SA advises marketers/customers what actions may be mandated if the voluntary response is not adequate. SAs may be directed to specific marketers/customers, subject to the Company's obligation not to unduly discriminate, or to all marketers/customers operating on the system. Marketers/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 an 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 Corning Natural Gas Corporation's Website, as well as faxed and e-mailed to all marketers/customers affected by the SA.

### **OPERATION FLOW ORDER (OFO)**

A critical day occurs when the Company issues an OFO. An OFO is issued at the sole discretion of the Company. 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. OFOs are instituted when other actions have not eliminated reliability concerns. Economic considerations shall not be a basis for declaring an OFO. In maintaining system integrity, the Company shall first try to correct any problem through other options available to it.

Except in circumstances where an immediate response is needed there will be at least 24-hours notice for an OFO. When an OFO is preceded by a SA, the -hour notice begins with the issuance of the SA.

The following rules apply to OFOs and OFO notifications :

1. The OFO notice shall be issued in as timely an a fashion as possible to designated marketer and customer personnel and shall provide as much advanced notice as possible. The date and time of issuance, date and time the OFO takes effect shall be included in the OFO notice.
2. The OFO notice will communicate clearly to designated marketer and customer personnel the actions required, as well as the reason for the required actions.
3. The Actions required by the OFO should be limited both in duration and scope to meet the required objective.
4. The OFO should be applied on a non-discriminatory basis to all similarly situated parties.
5. The Company shall respond to reasonable request for information by parties within a reasonable time after the OFO event.
6. The OFO shall not be used mitigate economic disparities.
7. The Company shall notify the Director of the Office of Gas and Water of the Department of Public Service when an OFO is declared and when the situation returns to normal.

Failure of the Company to adhere to one or more of the above guidelines is not a basis for marketers or customers not to comply with the requirements of the OFO, but may

provide the basis for a complaint to the Commission regarding the Company's behavior.

Some actions required by an OFO may include:

- 1) Required marketers/customers to deliver gas to a specific point
- 2) Require marketers/customers to balance daily or to deliver a specific quantity of gas.
- 3) Change daily nominations for customer groups being served with a flat monthly nomination.

If during an OFO period the Company is aware of marketers/customers that are not responding to the required actions, it should make all reasonable efforts to inform the non-responding marketer/customer that required actions are not being taken. Lack of such notice shall not relieve marketer/customer of its obligation.

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 non-compliance of one or more of its customers, it shall notify the Company of the name(s), address and account numbers(s) of the enduser(s). During an OFO the application of penalties should be constructed so as not to penalize marketers/customers whose imbalances work to benefit the integrity of the gas system.

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 concerns to the attention of the staff of the Department of Public Service and, if necessary, to the Commission.

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

**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

## **APPENDIX A :**

**Gas Supply Specialist: (607) - 936-3755 ext. 267**

Emergency Communication

Direct Customer

Gas Supply & Control

Rates and Regulations

Gas Transportation & Billing

Account Information

Billing (SC6, SC14) Customer

Billing (SC 7, SC11) Customer

Data Inquiries

Nominations T & E Agent

Metering

**(Outside Normal Hours) Call (607) - 936-3755**

Emergency Communication

Nominations Dispatch

**APPENDIX B :****TERRITORY**

Corning Natural Gas Corporations franchise area incorporates approximately 700 sq. mile of geographic area in southeastern Steuben County, southwestern Chemung County and the Town of Virgil in Cortland County.

The Municipalities that the Company has a franchise in are as follows:

**STEBEN COUNTY**

<u>City</u>	<u>Villages</u>	<u>Towns</u>
Corning	Addison Hammondsport Riverside South Corning Savona	Addison Bath Cameron Campbell Caton Corning Erwin Hornby Lindley Rathbone Thurston Tuscarora Urbana Woodhull

**CHEMUNG COUNTY**

<u>City</u>	<u>Villages</u>	<u>Towns</u>
		Southport

**CORTLAND COUNTY**

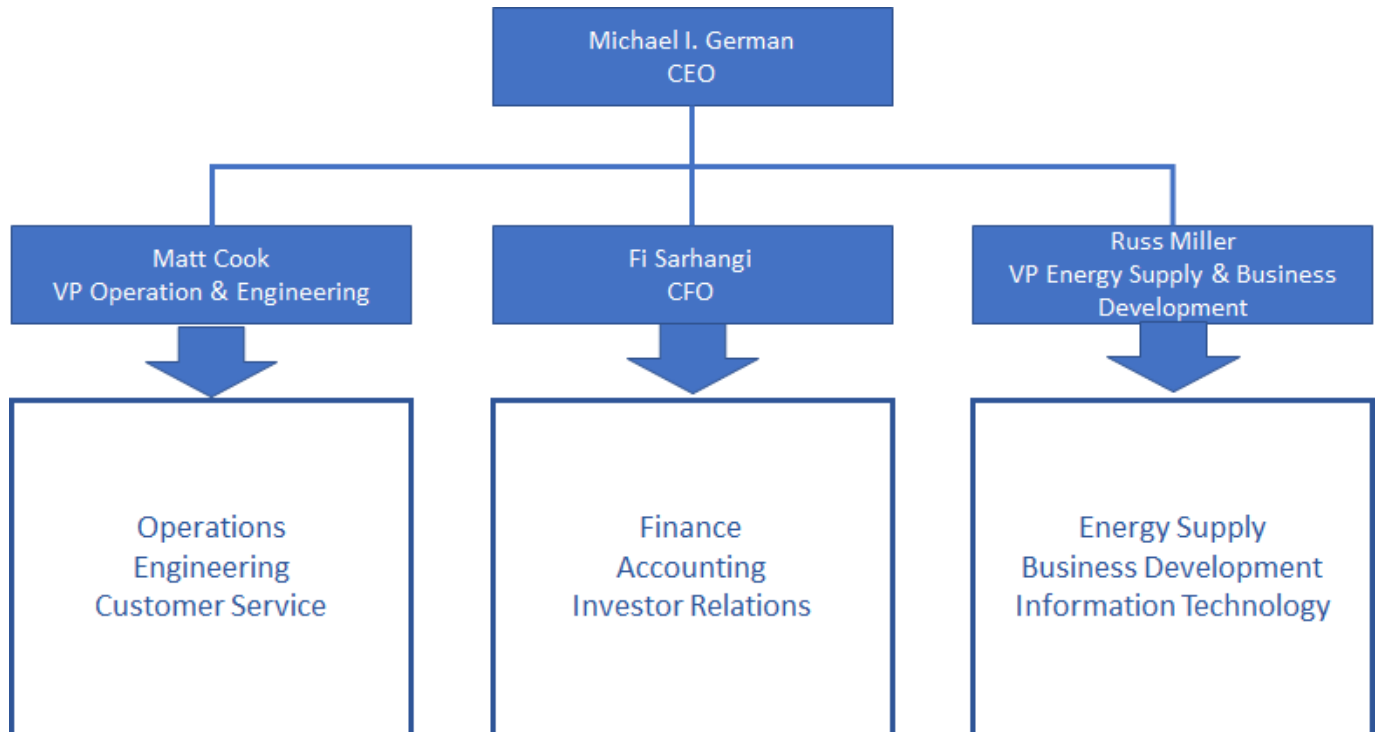
<u>City</u>	<u>Villages</u>	<u>Towns</u>
		Virgil



**APPENDIX D:***Corning Natural Gas Corporation**Usage by Customer Class**12 months ending November 2018*

<b>Customer Classification</b>	Nov 2018	12 Months Ending Nov 2018	<b>% of Total</b>
	<b>Total # of customers</b>	<b>Total MCF</b>	
Residential	13,179	1,326,081.81	22.60%
Commercial	864	235,249.90	4.01%
Misc. Industrial	7	3,010,130.70	51.31%
Public Authority	55	23,750.50	0.40%
Aggregation Customers	794	269,719.44	4.60%
Large Industrial	24	935,012.90	15.94%
SC4 Transportation	8	67,016.40	1.14%
Other Utilities	-	-	0.00%
<b>Total</b>	<b>14,931</b>	<b>5,866,961.65</b>	<b>100.00%</b>

## Appendix E:



### Energy Supply & Business Development:

Scott Lamb  
Gas Supply Specialist  
Phone:(607) 936-3755 x267  
Fax: (607) 962-2844  
Email: [slamb@corninggas.com](mailto:slamb@corninggas.com)

Russell Miller  
VP, Energy Supply & Business Development  
Phone:(607) 936-3755 x280  
Fax: (607) 962-2844  
Email: [rmiller@corninggas.com](mailto:rmiller@corninggas.com)



### Operations & Engineering:

Matt Cook  
Vice President of Operations  
Phone: (607) 936-3755x206  
Fax: (607) 962-2844  
Email: [mcook@corninggas.com](mailto:mcook@corninggas.com)

### Customer Service & Billing:

Charlene Faulk  
Customer Service Manager  
Phone: (607) 936-3755x228  
Fax: (607) 936-4316  
Email: [dbeer@corninggas.com](mailto:dbeer@corninggas.com)

Note: Please dial (607) 936-3755 for Emergency calls after normal working hours.

Cell Phone#: (607) 542-5517

**Normal Nomination: 11:00am ECT**

**From** **To**

Page: 1 of 1

## **Appendix G:**

Corning Natural Gas Corporation

Billing and Collection Agreement

Term and Conditions:

Corning Natural Gas will bill the cost of gas for \_\_\_\_\_ as a rate per Ccf on our current gas bill. The charges will show \_\_\_\_\_ your rate and the amount. You must provide your rates as a rate per Ccf and your rates must be provided to us by the 5th of each month. You are responsible for prorating of your rate if it is required.

Priority of payment will be the Utility Charges first, \_\_\_\_\_ charges second. All Late Charges will be kept by the Utility to offset costs of collection.

Since customers will remain on their current billing cycle payments will take place throughout the month therefore we will deposit collections of \_\_\_\_\_ charges on a weekly basis to the Bank Account you designate or we will mail a check.

Our Billing Rate to \_\_\_\_\_ will be \_\_\_\_ /bill. Rate is subject to change without notice.

Your billing will be charged to Account 1232. Accounts Payable to \_\_\_\_\_. We will pay back the payable due as we collect it throughout the month. We will only pay back what we collect.

We will provide a monthly summary of your sales and collections.

This agreement can be terminated

By either party with 90 days written notice

Agreed to by:

CORNING NATURAL GAS CORPORATION \_\_\_\_\_

Signature \_\_\_\_\_

Signature \_\_\_\_\_

Date \_\_\_\_\_

Date \_\_\_\_\_

**CONFIRMATION LETTER**

Dear Customer:

We have received notification from your Marketer (\_\_\_\_\_) who will be purchasing your natural gas, that you wish to change your service over to transportation. This letter is simply to confirm your decision. Please CALL OUR TRANSPORTATION ANALYST at (607-936-3755 EXT 267) Corning Natural Gas Corporation, 330 W. William St, Corning, NY 14830, IF YOU DO NOT WISH TO CHANGE YOUR SERVICE.

We also must obtain a final reading to change over your service. You may call in your reading at 607-936-3755 ext 232 by your next read date (\_\_\_\_\_) as indicated on your last bill or make arrangements to have your meter read on that date.

**WE WILL TRANSFER YOUR ACCOUNT TO YOUR SUPPLIER UNLESS WE HEAR FROM YOU WITHIN FIVE DAYS.**

Thank you for your cooperation and remember to still call us for emergency service or any problems with your gas service.

Corning Natural Gas Corp.  
Customer Service Dept.