

ELECTRIC ESP ACCOUNT BILLING

Overview

This chapter focuses on ongoing DA billing and credit related issues, which are not a part of the initial DA setup process. The material covers bill processing; the collection and disbursement of funds for either PG&E or the Electric ESP with respect to Consolidated UDC billing; Consolidated ESP billing, and Separate billing.

Bill Components and Billing Options

Summary of bill components

Utility bills which are sent to end-use customers are required to show “unbundled” charges listed on the bill. These unbundled charges consist of the following components:

- Generation
- Transmission
- Distribution
- Public Purpose Programs (PPP)
- California Energy Commission Tax (ECT)

- CTC
- Nuclear Decommissioning
- Energy Procurement Surcharge

About the California Energy Commission Tax

In keeping with the developments of electric direct access, the California State Board of Equalization decided that the Energy Commission Tax (ECT), will be billed and collected by PG&E, for all UDC Consolidated Billing. The utility distribution company will cease billing of this tax immediately when the customer's service is switched to direct access. The customer's current Electric ESP will assume the responsibility of billing and collecting this tax from the customer effective with the direct access service switch date. The Electric ESP is responsible for remitting the ECT to the California State Board of Equalization.

The ECT, also known as the California Energy Resources Surcharge, applies to the consumption of electrical energy. It is intended to provide funding for the California Energy Commission. The regulations for ECT are covered in the California Administrative Code, Title 18, Chapter 2, Subchapter 5, Article 1, which states:

“Every electric utility making sales of electrical energy to consumers in this state shall collect the surcharge from each consumer other than a consumer that is an electric utility or is exempt under Chapter 3, part 19, of the Revenue and Taxation Code, at the time it collects its billing from the consumer for the electrical energy sold. A consumer is any person receiving electrical energy furnished by an electric utility and includes a person receiving electrical energy for redistribution for the use of this tenants.”

The ECT rate, which is subject to revision from time to time, is currently set at two-tenths of a mil (\$0.0003) per kilowatt-hour. It is shown as a separate line item on the customer's bill.

The ECT is based on the consumption of electrical energy and applies to all but the following end-use customers:

1. The United States, its unincorporated agencies and instrumentalities
2. Any incorporated agency or instrumentality of the United States wholly owned by either the United States or by a corporation wholly owned by the United States
3. The American National Red Cross, chapters, and branches
4. Insurance companies, including title insurance companies, subject to taxation under the California Constitution, Article XIII, Section 28
5. Indians purchasing and consuming electrical energy on Indian reservations

6. Career consular officers and employees of certain foreign governments who are exempt from tax by treaties and other diplomatic agreements with the United States
7. Federal credit unions organized in accordance with the provisions of the Federal Credit Union Act.

Questions regarding the tax exemption and remittance timelines should be directed to the State Board of Equalization. Additional information may be found in the Revenue and Taxation Code.

Billing options

Customer bills will reflect the total amounts charged for each of the bill items described in the table above regardless of the billing option which the customer chooses at the time of DA sign-up. Again the billing options available to end-use customers are:

CONSOLIDATED UDC BILLING

Under the Consolidated EDC billing option, the Electric ESP will send its rate schedules to PG&E. PG&E will then compute the Electric ESP's charges based upon the Electric ESP's rate schedules and customer meter data and send a consolidated invoice to the DA customer which will include both Electric ESP's and PG&E's charge amounts. Rate schedule information is available within PG&E's [Web Tariff Book Web site](#).

PG&E will purchase the Electric ESP's receivables under the terms and conditions set forth in PG&E's tariffs.

CONSOLIDATED ESP BILLING

Electric ESPs who elect to offer Consolidated ESP billing may choose Partial Consolidated ESP billing or Full Consolidated ESP billing pursuant to PG&E's [DA Rule 22](#). Prior to providing either of these billing options, the Electric ESP must meet CPUC-specified creditworthiness requirements. The differences between Partial Consolidated ESP and Full Consolidated ESP billing options are described below.

PARTIAL CONSOLIDATED ESP BILLING

Under Partial Consolidated ESP billing, PG&E will calculate and send its bill to the Electric ESP. The Electric ESP in turn will then send a consolidated bill to the customer. The Electric ESP is not responsible for the accuracy of PG&E's charges.

FULL CONSOLIDATED ESP BILLING

Under the Full Consolidated ESP billing option, the Electric ESP will read the meter, calculate both the UDC and ESP charges and bill the customer. The Electric ESP will detail PG&E's charges in

conformance with PG&E's specifications. The Electric ESP must obtain PG&E's consent and approval prior to offering Full Consolidated ESP billing to its customers, and must also comply with all relevant provisions under PG&E's [DA Rule 22](#).

SEPARATE BILLING

Under Separate billing, customers receive two bills, one from the Electric ESP detailing their fees and one from PG&E detailing PG&E fees.

Although an Electric ESP can select Separate billing as a service option, PG&E may also under certain circumstances require an Electric ESP to proceed under Separate billing for reasons including but not limited to the items below.

- If the Electric ESP selected Consolidated UDC billing but the ESP's rate schedule was not properly received when the DASR was transmitted, PG&E will establish Separate billing for the corresponding end-use customers. Consolidated UDC billing, in this case would be established once the Electric ESP resubmitted the rate schedule and the schedule data was entered into PG&E's systems.
- If the current Electric ESP has defaulted on the terms and conditions of ESP Consolidated billing under either PG&E's ESP Service Agreement or DA Rule 22, PG&E will establish separate billing for that end-use customer.
- If an Electric ESP has indicated that it would like to offer Consolidated ESP billing but has not fulfilled creditworthiness and/or EDI requirements, PG&E will require the Electric ESP to proceed under Separate billing.

Read and Bill Serial Dates

Because multiple services may be represented on one bill, the meter Read Date will not always be equal to the Bill Date. PG&E will retain the serial system currently in use and apply it towards the Read and Bill cycles. Both Read and Bill serials will be communicated to the ESP via the acknowledgement (ACK) DASR.


Consolidated UDC Billing

The Electric ESP and PG&E will work together to establish the ESP's billing information in PG&E's billing system. For a fee, PG&E can generate Consolidated UDC bills for Electric ESPs and serve as the collection agent as well. Set up fees are based upon PG&E rate schedule E-ESP.

When DA begins, PG&E will offer Electric ESPs Rate Ready pricing options. In order to calculate the Electric ESPs charges for Rate Ready options, PG&E will need the rate structure(s) and rate schedules that the Electric ESP has selected. The Electric ESP may have up to 100 rate schedules. The Electric ESP will then populate the rate schedules with their respective rates and prices.

Pricing options

Electric ESPs communicate Rate-ready pricing options by completing the [PG&E Consolidated Billing Pricing Worksheet](#). The following exhibit is an example of the worksheet.

	Pacific Gas and Electric Company	PG&E-Consolidated Billing Pricing Worksheet		Distribution:
				<input type="checkbox"/> ESP (Copy) <input type="checkbox"/> PG&E ESP Billing Services (Orig.)

<input type="checkbox"/> NON-VOLUMETRIC FIXED OR FLAT PRICE		
Rate Name (6 characters):		
Rate Description:		
Effective Date:		Ending Date:
Rate Component(s):	Price(s):	Unit
Customer Charge:	\$	per account, per month
Energy Charge:	\$	per account, per month

<input type="checkbox"/> ONE-TIER PRICE		
Rate Name (6 characters):		
Rate Description:		
Effective Date:		Ending Date:
Rate Component(s):	Price(s):	Unit
Customer Charge:	\$	per account, per month
Energy Charge:	\$	per KWH or Therm

<input type="checkbox"/> TWO-TIER PRICE		
Rate Name (6 characters):		
Rate Description:		
Effective Date:		Ending Date:
Rate Component(s):	Price(s):	Unit
Customer Charge:	\$	per account, per month
Energy Charge, per KWH threshold:		
Tier One (threshold KWH)	\$	per KWH or Therm
Tier Two (over threshold)	\$	per KWH or Therm

<input type="checkbox"/> TIME-OF-USE PRICE (based on PG&E time-of-usage measurement periods)		
Rate Name (6 characters):		
Rate Description:		
Effective Date:		Ending Date:
Rate Component(s):	Price(s):	Unit
Customer Charge:	\$	per account, per month
Energy Charge, per peak period:		
On-Peak Usage	\$	per KWH or Therm
Part-Peak Usage	\$	per KWH or Therm
Off-Peak Usage	\$	per KWH or Therm

Submitted By: _____	Fax: _____
Title: _____	E-Mail: _____
Date: _____	Telephone: _____

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7.1 - PG&E CONSOLIDATED BILLING PRICING WORKSHEET

The Electric ESP must complete and submit the [PG&E Consolidated Billing Pricing Worksheet](#) for every pricing change that it wants to make. The worksheet can be downloaded from the “[DA Documents](#)” link on the PG&E’s ESP Resource Center Web site or obtained by contacting ESP Services at 415-973-1666. Completed worksheets should be faxed to ESP Services at 415-973-2194.

The following Rate Ready pricing options will be available in on the DA implementation date:

FLAT (\$/MONTH)

Also referred to as fixed price, a flat rate structure is a non-volumetric set cost that is billed per month regardless of the amount of the customer's usage.

An additional flat rate to cover monthly Electric ESP administrative customer charges may be combined with this rate structure.

SINGLE-TIERED (\$/KWH)

A single-tiered rate structure is a set cost billed per usage unit (kilowatt-hour or therm). The customer's energy charge will vary according to the amount of electricity consumption per month.

A flat rate to cover monthly Electric ESP administrative customer charges may be combined with this rate structure.

DOUBLE-TIERED (\$/KWH, ELECTRIC ESP DESIGNATES TIERS)

A double-tiered rate structure has two set costs billed per usage unit (kilowatt-hour or therm) which is charged whenever a usage baseline or threshold is designated. The first-tier price will apply until the usage threshold is exceeded. The second-tier price will apply to any usage above the designated threshold. The customer's energy charge will vary according to the amount of electricity consumption per month.

A flat rate to cover monthly Electric ESP administrative customer charges may be combined with this rate structure.

TIME-OF-USE - TOU (\$/KWH, BASED ON PG&E'S TIERS)

A TOU structure is a combination of set costs billed per usage unit (kilowatt-hour or therm) based on consumption during a particular period of the day. Depending on the customer class and the installed metering device, TOU pricing may have up to three different rates for three different peak periods. The TOU periods are on-peak, partial-peak, and off-peak. Rates are more expensive during the on-peak periods, when more customers demand energy. Customers may tailor their energy consumption during the off-peak hours to take advantage of the low off-peak rates. The customer's energy charge will vary according to the amount of electricity consumed during a particular time of the day.

CUSTOM PRICING

A rate plan that does not fit with any of the above four pricing structures is considered custom pricing. On an individual case basis, PG&E will evaluate an Electric ESP's customized pricing structure to determine whether it can be accommodated and implemented by PG&E.

SUBMITTING RATE-READY DATA TO PG&E

Electric ESPs should contact PG&E's ESP Billing Services (ESPBS - see the "[DA Contacts](#)" link on PG&E's ESP Resource Center Web site) to discuss transmission requirements prior to submitting rate-ready data.

DEADLINES FOR THE SUBMISSION OF RATE-READY DATA

In order for PG&E to send out consolidated bills which include Electric ESP billing information for a given DA billing cycle, the Electric ESP must provide the following information to ESPBS by the dates specified:

- Electric ESP billing rates and structures at least thirty (30) days prior to the billing cycle end date.
- Customer list with associated Electric ESP billing rates at least fifteen (15) days before the billing cycle end date.

There is a fee for a rate change based on PG&E's rate schedule E-ESP. If the Electric ESP should require custom programming, ESPBS will make a concerted effort to fulfill the requirements specified within the time frame above but cannot guarantee billing implementation for that billing cycle period.

Bill format

Electric ESP must provide ESPBS with the company information that must appear on the bill (i.e. Electric ESP's name, address, telephone number) as well as the Electric ESP's company logo. The logo should be provided in the form of a bitmap image file. All details regarding the Electric ESP bill page format are addressed in the [Direct Access Consolidated Billing Options Worksheet](#) which can be located and downloaded from the "[DA Documents](#)" link on the ESP Resource Center Web site.

Bill preparation and processing

PG&E will prepare the consolidated bill according to the procedures outlined below.

1. PG&E will calculate the Electric ESP's energy cost charges. The Electric ESP's rate schedule is used to calculate the energy cost component. Information regarding the submission of rate schedule information by the Electric ESP is covered within Chapter 3: Processing DASRs.

2. PG&E's charges for transmission, delivery, PPPs, CTC, and other charges that may apply to a given customer, are calculated separately using the customer's PG&E rate schedule.
3. The Electric ESP's charges are then combined with PG&E's charges onto one bill.
4. Utility user taxes, if applicable, are calculated on the total of the PG&E and Electric ESP combined charges.
5. Other processing functions such as the update of receivables, payments, credits, debits, and other adjustments are performed by PG&E to generate the Consolidated UDC bill.

Bill Printing and Delivery

1. Bills will follow the format designated by the Electric ESP in the *Direct Access Consolidated Billing Options Worksheet*, to include the layout, logos, and other enclosures specified.
2. A printed copy of the bill is mailed to end-use customers on Summary Billing and to those end-use customer not on Electronic Data Interchange (EDI).
3. If the customer has an EDI Trading Partner Agreement in place with PG&E and has followed the requirements for implementing EDI as outlined in Chapter 2: DA Setup, PG&E can submit invoices to the end-use customer electronically.

Reports generated by PG&E

Since the billing process is a collaborative effort, it requires constant communication between the Electric ESP and PG&E. Reports are the method by which PG&E and the Electric ESP coordinate their consolidated billing effort. Reports are sent manually by PG&E in an electronic format, to the Electric ESP. Contents of the report include data relating to rate schedule changes and billed data and revenue. Reports are created daily.

Daily Billing File

The daily billing file consists of two sections. The first section includes the billing data. The second section includes any adjustments made to a particular bill.

Utility User Tax Application

Under the rate-ready billing type, PG&E will calculate any applicable utility user taxes on the total of the PG&E and Electric ESP combined charges. PG&E will apply the utility user tax, including exemptions and caps based on PG&E's agreement with the governing cities and counties in PG&E's service territory.

Under the bill-ready billing type, PG&E will apply utility user taxes on the Electric ESP's charges.

Remittance of utility user tax is the responsibility of each party, PG&E, and Electric ESP for their respective taxable charges. PG&E will report the taxes billed on the Electric ESP charges to the Electric ESP. PG&E will only remit the utility user tax collected to the Electric ESP. The Electric ESP is responsible for remitting the utility user tax to the governing authority.

How PG&E calculates Electric ESP payments

WHEN A CUSTOMER MAKES PAYMENT TO PG&E

The portion due to the ESP is then forwarded on the the ESPs financial institution. This is done via ACH wire fund transfer, using banking data provided by the ESP.

Because the amount deposited to the bank is one lump sum, PG&E then sends to the ESP an electronic file which lists the detail for that deposit (customers' names, account ID's and associated remittance amounts) since this payment file is sent automatically, the ESP must provide PG&E with one e-mail address where the report is to be sent.

PAYMENTS FROM ELECTRIC ESP TO PG&E

Payments from the Electric ESP to PG&E encompass service charges for billing services, which PG&E provides on behalf of the Electric ESP. The Electric ESP will be responsible for the payment of PG&E's charges on an ongoing basis while Consolidated UDC billing is in effect. Charges are dependent upon the transactions incurred during a given month, and Electric ESPs are billed once a month for these charges by PG&E. Service charge amounts billed can vary for each account specified under the Consolidated UDC billing option. Charges associated with Consolidated UDC billing are specified on PG&E's [Web Tariff Book Web site](#). PG&E, upon ten (10) days written notice, may net any past due payment for associated Consolidated UDC billing services, as outlined in Rate Schedule E-ESP (see PG&E's [Web Tariff Book Web site](#)), against payments by PG&E on the Electric ESP's accounts receivable.

Consolidated ESP Billing

Consolidated ESP billing involves the transmission of charges for transmission, distribution, PPP, and CTC from PG&E to the Electric ESP.

BILL FORMAT REQUIREMENTS

PG&E requires that Electric ESPs provide detailed page showing PG&E related charges according to a standardized format. Electric ESPs should consult the [PG&E Bill Format for Consolidated ESP Billing](#) document for detailed requirements on the representation and transmission of PG&E billing information. The document can be downloaded from the "[DA Documents](#)" link on the ESP Resource Center.

CALCULATION OF CHARGES OWED TO PG&E

PG&E calculates charges for a given service account's electric transmission and distribution services. Transmission and distribution charge information is then sent electronically to the Electric ESP for inclusion in the Electric ESP's bill.

PAYMENT PROCESSING

Once PG&E's charges are calculated, these charges are transmitted to the Electric ESP through Electronic Data Interchange (EDI). The Electric ESP is responsible for payment to PG&E regardless of whether or not it receives payment from the end-use customer. The Electric ESP must submit payments to PG&E via EDI as discussed below.

ELECTRONIC DATA INTERCHANGE (EDI)

Electric ESPs wishing to provide billing services for PG&E must meet EDI requirements (see Chapter 2: DA Setup for detailed information). EDI is the adopted standard for the transmission of charge information from PG&E to the Electric ESP and for PG&E's subsequent receipt of payments from the Electric ESP. Service accounts that are billed through Consolidated ESP billing must be added to the list of EDI customers for a given Electric ESP.

Separate Billing Procedures

Under the Separate billing option, both PG&E and the Electric ESP will bill the end-use customer individually for their respective charges. Neither billing nor payment information is exchanged between the Electric ESP and PG&E since each entity is responsible for the billing and collection of payments associated with Separate billing service accounts.