



Agenda Date: 11/9/00  
Agenda Item: L.S.C.

**STATE OF NEW JERSEY**  
**Board of Public Utilities**  
*Two Gateway Center*  
*Newark, NJ 07102*

I/M/O The Electric Discount and Energy )	<u>ENERGY</u>
Competition Act of 1999 – Customer )	
Account Services – Atlantic City )	ORDER APPROVING STIPULATION
Electric Company d/b/a/Conectiv Power )	WITH
Delivery; Jersey Central Power and Light )	CONDITIONS AND MODIFICATIONS
Company d/b/a GPU Energy and Public )	
Service Electric & Gas Company )	Docket No. EX99090676

(Service List Attached)

BY THE BOARD:

On February 9, 1999, Governor Whitman signed into law the Electric Discount and Energy Competition Act ("the Act"), N.J.S.A. 48:3-49 et. seq. Among other things, the Act required that the New Jersey Board of Public Utilities ("Board"), by Order, provide that electric and natural gas customers be given the opportunity to choose a supplier for some or all electric or natural gas customer accounts services not later than one year from the starting date of retail competition, N.J.S.A. 48:3-54. The Act defines Customer Accounts Services ("CAS") as "metering, billing, or such other administrative activity associated with maintaining a customer account." N.J.S.A. 48:3-51.

On October 13, 1999, the Board established a CAS Working Group for the purposes of: (1) identifying the CAS issues to be addressed; and (2) proposing a generic course of action to resolve these issues. The CAS Working Group was open to all interested parties. The parties met in numerous sessions during the CAS Working Group process, which extended from October 1999 through February 2000, but could not reach a consensus on the services that should be competitive, the type or timing of a cost study associated with the potentially competitive services, or the procedural schedule to determine these issues.

Subsequently, by Order dated March 2, 2000, the Board determined that hearings should be held to determine the customer account services that should be competitive and the form of the cost study to be performed. The Board further directed that the Advising Deputy Attorney General and Board Staff meet with the parties in order to develop a procedural schedule. Pursuant to that schedule, which was developed at the

pre-hearing meeting and included with the Board's March 2, 2000 Order, intervention requests were filed and resolved, initial and rebuttal testimony was filed, discovery was exchanged, and hearings were held before Commissioner Frederick F. Butler.

Formal parties to this proceeding include:

- Public Service Electric and Gas Company ("Public Service" or "PSE&G");
- Atlantic City Electric Company d/b/a Conectiv Power Delivery ("Conectiv");
- Jersey Central Power and Light Company d/b/a GPU Energy ("GPU");
- Rockland Electric Company;
- The Division of the Ratepayer Advocate ("Ratepayer Advocate");
- Enron Corporation;
- Utility.com;
- MidAtlantic Power Supply Association;
- Local 94, International Brothers of Electrical Workers and Local 153, Office Professional Employees International Union;
- Utility Co-Worker's Association;
- Local 210, International Brothers of Electrical Workers;
- Local 855, United Association of Journeyman;
- Elizabethtown Gas Company;
- New Jersey Natural Gas Company;
- South Jersey Gas Company;
- National Energy Marketers Association;
- Reliant Energy; and
- Shell Energy Services Company.

Throughout the evidentiary hearing process, the parties met, conducted conference calls and held other informal discussions in an effort to reach agreement on the issues in this proceeding. By letter dated July 20, 2000, as a result of these settlement discussions, the parties submitted a stipulation, which resolves certain issues affecting Public Service Electric and Gas Company, Atlantic City Electric Company d/b/a Conectiv Power Delivery, and Jersey Central Power and Light Company d/b/a GPU Energy ("Stipulation"). The following parties have executed this Stipulation ("Signatories"):

- Public Service Electric and Gas Company;
- Atlantic City Electric Company d/b/a Conectiv Power Delivery;
- Jersey Central Power and Light Company d/b/a GPU Energy;
- The Division of the Ratepayer Advocate;
- Enron Corporation;
- Utility.com;
- MidAtlantic Power Supply Association;
- Local 94, International Brothers of Electrical Workers and Local 153, Office Professional Employees International Union;
- Utility Co-Worker's Association;
- Local 210, International Brothers of Electrical Workers; and
- Local 855, United Association of Journeyman.

By Secretary's letter dated August 16, 2000, all other parties to the CAS proceeding were made aware of the Stipulation, and were provided an opportunity to express a position on it. Elizabethtown Gas Company and South Jersey Gas Company, while not signing the Stipulation, have indicated that they do not oppose it provided they are not considered "Consenting Parties" as defined in paragraph 19 of the Stipulation. Other interveners not signing the Stipulation include: the National Energy Marketers Association, which supports Board approval of it; Reliant Energy, which does not object to it; and Shell Energy Services Company, which takes no position on the Stipulation. Accordingly, all formal interveners to this proceeding have either signed the Stipulation or indicated no opposition to it. There are no counter proposals before the Board.

As discussed below, certain terms and conditions of the Stipulation are of a generic nature and common to all three electric utilities. Certain other details of the Stipulation are specific to each utility and set forth in utility-specific attachments to the generic Stipulation. The Stipulation and all of its terms will continue in effect until August 1, 2003, or until a superceding Stipulation or Board Order.

#### Utility Consolidated Billing

The Stipulation provides that Conectiv, GPU and PSE&G will provide enhanced consolidated bills to those customers of licensed electric and/or gas Third Party Suppliers ("TPSs") that are in compliance with documents that have either been approved by the Board or by a Board-sanctioned technical electronic communications working group. These TPSs will need to have an executed TPS Agreement and Billing Services Agreement in place. The enhanced utility consolidated bills will include the TPS' logo and contact information. The consolidated utility bill will be "bill ready" and will include up to one rolling TPS bill page at no charge to the TPS through July 31, 2003. The electric utility consolidated billing option will be available within 120 days of the Board's final written Order adopting this Stipulation. PSE&G has also agreed to provide natural gas consolidated billing by December 15, 2000. Full implementation of utility, natural gas consolidated billing requires Electronic Data Interchange ("EDI") compliance testing by the TPS with the utility.

The Stipulation also provides for a bill insert option for the residential customers of licensed gas and electric TPSs that are in compliance with consensus documents that have either been developed by a Board-sanctioned technical electronic communications working group or approved by the Board. Attachment B of the Stipulation provides details for the inclusion of TPS bill inserts, at negotiated rates, for PSE&G, Conectiv and GPU.

#### TPS Consolidated Billing

The Stipulation provides that licensed gas and/or electric TPSs that are in compliance with documents that have either been approved by the Board or by a Board-sanctioned technical electronic communications working group and which have an executed TPS Agreement in place, shall have the opportunity to provide a bill ready consolidated bill to their customers pursuant to an executed Billing

Services Agreement. The Stipulation also provides that as the consolidated billing provider, the TPS will be responsible to fulfill all applicable New Jersey Administrative Code ("N.J.A.C.") provisions and Board mandated notices and directives regarding utility customer bill information. This does not apply to any service that has been deemed competitive by the Board. The Stipulation further provides that Conectiv, GPU and PSE&G will provide utility bill inserts, in an agreed-upon electronic form, to those TPSs who bill their customers electronically.

The Stipulation establishes the New Jersey Billing Implementation/EDI Working Group ("Billing Implementation Working Group") to facilitate the implementation of the services contained in the Stipulation. Implementation of TPS consolidated billing will begin 120 days after adoption by the Billing Implementation Working Group, or adoption by the Board of Electronic Data Interchange ("EDI") standards or other electronic data exchange protocols as may be required, but not sooner than 120 days after a final, written Board Order approving this Stipulation. Full implementation of TPS consolidated billing requires EDI compliance testing by the TPS with the utility.

The Stipulation provides that Conectiv, GPU and PSE&G will issue credits to customers who elect TPS consolidated billing:

- PSE&G will issue the following credit(s) to customers of TPSs who issue a consolidated bill:
  - For a combined gas and electric customer, where a single TPS provides both commodities and issues a bill for both commodities and the distribution charge, the credit will be \$1.00 per bill per month, including Sales and Use Tax. This amount includes a \$0.58 Market Development Fund ("MDF") cost.
  - For a combined electric and gas customer, where a TPS supplies a single commodity, and PSE&G provides Basic Generation Service or Basic Gas Supply Service and the TPS issues a single bill for all charges, the credit will be \$1.00 per bill per month, including Sales and Use Tax. This amount includes a \$0.58 MDF cost.
  - For a combined electric and gas customer, where two separate TPSs issue separate bills for each commodity and the respective distribution charges, the customer will receive a bill credit of \$.75 per bill per month, including Sales and Use Tax. This amount includes a \$1.08 MDF cost.
  - For a combined electric and gas customer, where a TPS is billing for either commodity and PSE&G is billing for the other commodity including distribution charge, the customer credit will be \$.25 per bill per month, including Sales and Use Tax. This amount includes a \$0.23 MDF cost.
  - Where a customer is an electric or gas only customer, and a TPS supplies a single bill for that commodity and the respective distribution charge, the customer credit will be \$1.00 per bill per month, including Sales and Use Tax. This amount includes a \$0.58 MDF cost.

- If PSE&G is, for any reason, required by the Board or requested by a TPS to conduct any mailing related to utility delivery service, including but not limited to, delivery related materials, Board mandated notices or regulatory requirements, the customer credit will be \$0.60 per bill for each time the Board orders PSE&G to make such a mailing. This amount includes a \$0.58 MDF cost. PSE&G shall request that the Board permit the billing TPS to make the required mailing.
- PSE&G's MDF costs will be charged against the over collected balance of Gross Receipts and Franchise Taxes ("GRFT") of \$2.9 million that was addressed by in the Board in I/M/O Public Service Electric and Gas Company (Docket Nos. EA00010007 and GA00010008, February 2, 2000). PSE&G has reserved its right to file a proposal for a supplemental recovery mechanism, if it becomes apparent that the \$2.9 million GRFT over collection is inadequate to absorb the MDF costs.
- GPU will issue the following credit(s) to customers of TPSs who issue a consolidated bill:
  - \$1.00 per bill per month, including Sales and Use Tax, of which, \$0.62 is a Market Development Fund ("MDF") cost.
  - If for any reason, GPU is required by the Board, or requested by a TPS, to conduct any mailing related to utility delivery service, including, but not limited to, delivery related materials, Board mandated notices or other regulatory requirements, the customer credit will be \$0.50 per bill for each time the Board orders GPU to make such a mailing. This amount includes a \$0.42 market development cost. GPU shall request that the Board permit the billing TPS to make the required mailing.
  - GPU's MDF costs will be charged against the over collected balance of Gross Receipts and Franchise Taxes of \$550,000. GPU has reserved its right to file a proposal for a supplemental recovery mechanism, if it becomes apparent that said \$550,000 GRFT over collection is inadequate to absorb the MDF costs.
- Conectiv will issue the following credit(s) to customers of TPSs who issue a consolidated bill.
  - \$1.00 per month, including Sales and Use Tax. This amount includes a \$0.54 MDF cost.
  - If Conectiv is, for any reason, required by the Board, or requested by a TPS, to conduct any mailing related to utility delivery service, including, but not limited to, delivery related materials, Board mandated notices or other regulatory requirements, the customer credit will be \$0.50 per bill for each time the Board orders Conectiv to make such a mailing. This amount includes a \$0.44 MDF cost.
  - Conectiv's MDF costs will be charged against the over collected balance of Gross Receipts and Franchise Taxes of \$1.2 million that was addressed by

Board Order of June 7, 2000 in Docket No. EA00050299. Conectiv has reserved its right to file a proposal for a supplemental recovery mechanism, if it becomes apparent that said \$1.2 million GRFT over collection is inadequate to absorb the MDF costs.

At the time that Conectiv, GPU or PSE&G files to recover uncollected costs, the Ratepayer Advocate, and the Signatories would have the right to argue, that the cost recovery charges should apply to Off-Tariff Rate Agreements and special contract customers. All costs found reasonable by the Board shall be recovered by the utility via a clause mechanism on a per customer basis, with interest from the date that costs are incurred. In the case of gas utilities, this clause will initially be set at the time that the individual gas SBC charges are reset. For Conectiv, GPU and PSE&G, deferred amounts will be recovered over no more than a two-year period starting in August 2003. The interest rate on all deferred costs will be based on seven-year constant maturity treasuries as shown in the Federal Reserve Statistical Release on or closest to August 1<sup>st</sup> of each year plus 60 basis points.

#### Other Billing Provisions

The Stipulation provides that, upon implementation of the foregoing consolidated billing (utility and TPS), the billing party will assume the non-billing party's receivables. This will eliminate cash flow concerns and any confusion, among suppliers and customers, over the status of a customer's account.

In addition, paragraph 13 and Attachment F of the Stipulation indicate that Conectiv, GPU and PSE&G will provide a customer response card as a one-time bill insert to customers to assist TPSs and aggregators in locating and marketing to interested customers. The customer response card would be completed by those customers interested in receiving marketing information.

While the Board is interested in facilitating aggregation, it is currently in the process of proposing new Consumer Protection and Anti-Slamming Standards for comment and adoption. The Board believes that this proposal to obtain customer sensitive information should be considered in the context of the Consumer Protection and Anti-Slamming Standards rulemaking. Therefore, the Board DIRECTS that the issues and proposals in paragraph 13 and Attachment F of the Stipulation be deferred and considered in the context of the forthcoming Consumer Protection and Anti-Slamming Standards rulemaking.

#### Metering and Other Issues

For a number of reasons, the Signatories believe that metering, meter reading, meter maintenance and meter data management should be deferred and made part of further discussions among the parties beginning no later than August 1, 2001. The reasons include advancements made in the billing area, technical advancements being made in the metering area, limited activity in metering in other states and the current high retail price of electricity, which has slowed the number of customers currently pursuing competitive opportunities. The intent of the Stipulation is to then resolve all outstanding matters, either through negotiation or through other

Board ordered proceedings by January 1, 2003, in order to implement any agreed upon and/or ordered changes by August 1, 2003.

In connection with this issue, Staff has informed the Board that at least three meter service providers attended the Working Group meetings from October 1999 through February 2000. However, following the announcement of a formal procedural schedule, none of the participating meter service providers moved to intervene.

In light of the agreement of the Signatories, the Board can accept some delay in coming to a resolution of metering issues. However, the Board believes that the issues involved with metering are complex and that the parties should have as much time as possible to explore these issues and potential resolution. Therefore, the Board MODIFIES paragraph 16 of the Stipulation and DIRECTS that Staff begin negotiations and discussions on the issues identified in paragraph 16 through the existing CAS Working Group, open to all interested parties, during February 2001.

The Stipulation also recommended to the Board that all issues related to competitive CAS functions, as well as any unbundling of CAS costs, be addressed through the establishment of a Technical Implementation Task Force chaired by a Board Commissioner, or his designee, to include a representative from each utility, union representatives, Board Staff, the Division of the Ratepayer Advocate, marketers, trade organizations and any other party that wishes to participate. It is expected that the Technical Implementation Task Force will be in place at least through July 31, 2003, to identify and resolve competitive customer account implementation issues through negotiation. This Task Force is intended to be an expedient dispute resolution body. The Signatories do not envision that this Task Force will meet on any regularly scheduled basis. Due to the tight schedule for implementation of consolidated billing, and the Board's desire to implement the provisions of this Stipulation in a timely yet orderly manner, the Board FINDS that creation of a Technical Implementation Task Force is appropriate. Therefore, when emergent technical issues arise pertaining to this Stipulation, which would require immediate Board attention in order to maintain implementation schedules and which cannot await the next scheduled Board meeting, the Board HEREBY AUTHORIZES the President of the Board to act on its behalf, to review and, when possible, rule on contested technical implementation issues. However, prior to such ruling, the issue shall be summarized in writing and distributed to all Commissioners and appropriate staff. If within one day of such distribution, no other Commissioner requests that the matter be considered by the full Board at an agenda meeting, the President of the Board shall issue a written ruling, which shall be provided to all Commissioners. If no other Commissioner objects within one day of receiving the ruling, the ruling becomes effective without further Board action. If there is an objection, the full Board shall consider the issue at its next meeting.

The Stipulation also provides the opportunity for suppliers and utilities to individually discuss and negotiate other enhancements to meter data and billing.

As indicated above, paragraph 19 of the Stipulation defines "Consenting Parties" as the signatories to this settlement, and other parties who: (1) notify the Board in writing of their status; or (2) do not notify the Board of their opposition to the Stipulation within a timeframe established by the Board. By Secretary's letter dated August 16, 2000, the Board provided a timeframe for non-signatories to notify the

Board of their position concerning the proposed Stipulation. Some parties responded, and some did not. The Board FINDS that it would not be fair or reasonable to consider a formal party to this proceeding a "Consenting Party" due to their silence. Therefore, the Board MODIFIES paragraph 19 so as not to categorize non-Signatories as "Consenting Parties".

Furthermore, PSE&G Attachment A indicates that PSE&G will have utility natural gas consolidated billing available by December 15, 2000. Since some time has passed since the Stipulation was filed on June 20, 2000, this particular date is no longer reasonable. As such, the Board DIRECTS that the December 15, 2000 date in PSE&G Attachment A be extended to January 15, 2001.

Finally, paragraph 12 of the Stipulation provides that costs incurred by the utilities as a result of the Stipulation, not otherwise recovered from TPSs, subject to review for reasonableness, shall be subject to deferred accounting treatment. There is no estimate, at this time, of the extent of such possible costs. While the Board believes it is reasonable for utilities to recover known and measurable restructuring costs in connection with providing additional customer account services, the Board believes that the proposed language needs to be modified to exclude the possibility for double recovery of implementation costs. Therefore, with respect to the recovery of any incremental costs reasonably and prudently incurred by the Conectiv, GPU and PSE&G as a result of the Stipulation and identified in paragraph 12, the Board permits Conectiv, GPU and PSE&G to petition the Board for recovery of such costs to the extent such costs are not otherwise recovered.

To ensure that the Board is aware of the potential for any deferred accounting associated with any start-up costs and/or Market Development Costs, as delineated in Attachment E, the Board DIRECTS Conectiv, GPU and PSE&G to report quarterly, beginning April 15, 2001 for the period from the date of this Order through March 31, 2001, a detailed breakdown of the start-up and Market Development Costs incurred and the funds remaining to cover these costs. Each subsequent quarterly report should include quarterly and cumulative data. As part of the report for the third quarter of 2001, the electric utilities should also file projected costs through July 31, 2003. In this way, the Board could initiate a proceeding, if necessary, to address any deferred accounting issues.

In summary, the Board believes that the Stipulation provides enhanced features for suppliers and customers and has no known opposition. The Board has reviewed the Stipulation concerning Public Service Electric and Gas Company, Atlantic City Electric Company d/b/a Conectiv Power Delivery, and Jersey Central Power and Light Company d/b/a GPU Energy and, as modified herein, FINDS that the Stipulation is fair and reasonable, is fully consistent with N.J.S.A. 48:3-54 and is in the public interest. Accordingly, the Board APPROVES the attached Stipulation, and related utility-specific Attachments A, B, C, D, E and F as modified by this Order.



The Board DIRECTS that Staff, in consultation with the Office of the President of the Board, organize a Technical Implementation Task Force, as provided for in paragraph 15 of the Stipulation. The Board FURTHER DIRECTS Staff to establish and convene such other meetings and working groups as may be necessary to implement the provisions of the Stipulation, as modified.

DATED: *December 22, 2000*

BOARD OF PUBLIC UTILITIES

BY:



HERBERT H. TATE  
PRESIDENT




CARMEN J. ARMENTI  
COMMISSIONER



FREDERICK F. BUTLER  
COMMISSIONER

ATTEST:



FRANCES L. SMITH  
SECRETARY

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STATE OF NEW JERSEY  
BOARD OF PUBLIC UTILITIES

IN THE MATTER OF THE ELECTRIC )  
DISCOUNT AND ENERGY ) SETTLEMENT  
COMPETITION ACT OF 1999 )  
CUSTOMER ACCOUNT SERVICES ) DOCKET NO. EX99090676

The Board initiated this proceeding pursuant to Section 6 of the Electric Discount and Energy Competition Act (Act) N.J.S.A. 48:3-54, which requires that the New Jersey Board of Public Utilities (Board, BPU) determine the manner and mechanics by which customers may choose a supplier for some or all customer account services, which are defined as metering, billing and other account administration functions.

On October 13, 1999, the Board established the Customer Account Services (CAS) Working Group for the purposes of (1) identifying the issues to be addressed and (2) proposing a course of action to resolve these issues. The parties met in numerous sessions during the CAS Working Group process, which extended between October 1999 and February 2000, but could not reach a consensus on the services that should be competitive, the type or timing of a cost study associated with the potentially competitive services, or on the procedural schedule to determine these issues. Consequently, the parties agreed to file position papers with Staff setting forth their Working Group positions and proposed procedural process and schedule to be followed to bring these matters to resolution.

Thereafter, several parties filed position papers. At its February 16, 2000 Open Public Meeting, the Board directed the Advising Deputy Attorney General and Board Staff to meet with the parties to develop a procedural schedule consistent with a June 9, 2000 close of the record. A prehearing conference was conducted and a procedural schedule was established.

On March 2, 2000, the Board issued an Order memorializing the above actions and set forth an agreed upon procedural schedule for a CAS proceeding. Pursuant to that schedule, intervention requests have been filed and resolved, initial and rebuttal testimony has been filed, and discovery has been exchanged between the parties to the proceeding.

Throughout and subsequent to the above process, the parties have continued to meet in an effort to reach an agreement on the issues in this proceeding.

As the result of those meetings, and after considering the discovery and prefiled testimony in this proceeding, THE UNDERSIGNED PARTIES HEREBY AGREE AS FOLLOWS:

1. Resolution of issues relating to any implementation of gas and electric metering competition, and the unbundling of the CAS rates, and all issues related to account administration functions will be addressed within the timeframes set forth in this Settlement.

2. This Settlement is executed by all of the undersigned parties, including the following public utilities: Public Service Electric and Gas Company; Atlantic City Electric Company d/b/a Conectiv Power Delivery; and Jersey Central Power & Light Company d/b/a GPU Energy. Certain terms as detailed in the utility specific Attachments may vary from the Settlement document. To the extent that the Attachments reflect variations, the Attachments will govern, and be superior. In all other respects, this Settlement will be binding on the parties thereto.

#### UTILITY CONSOLIDATED BILLING

3. The undersigned utilities will provide consolidated bills only for customers of licensed electric and/or gas Third Party Suppliers (TPSs)<sup>1</sup> that are compliant with consensus documents developed by a Board-sanctioned technical electronic communications working group or approved by the Board, and have in place an executed TPS Agreement. The utility consolidated bills will be printed on the then current utility paper (stock) with the TPSs' respective logos<sup>2</sup> and a place for TPS information under the terms and conditions set forth in Attachment A. The consolidated utility bill will be bill ready<sup>3</sup> and include up to one rolling TPS bill page (as defined in Attachment A hereto) at

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<sup>1</sup> An electric TPS is defined as an "electric power supplier" by the Act. A gas TPS is defined as a "gas supplier" by the Act.

<sup>2</sup> See utility specific attachments. Further, the TPSs and the utilities will have the option, at the billing parties sole discretion, of including either (i) the logo or (ii) the name in prominent, boldfaced letters in a manner that is satisfactory to both parties. Exercise of this option shall be on a reciprocal basis.

<sup>3</sup> See utility specific attachments.

no charge to the TPS through July 31, 2003<sup>4</sup>. The electric utilities will be prepared to provide eligible TPSs with a utility consolidated bill option within 120 days of the issuance of a final Board Order adopting this Settlement for electric, and within the time described in Attachment A for gas. Full implementation of utility consolidated billing requires EDI compliance testing by the TPS with the utility.

4. A bill insert option, as defined in accordance with the specifications listed in Attachment B, may be available under the provisions of paragraph 11 of this Settlement for the residential customers of licensed gas and electric TPSs that are compliant with consensus documents developed by a Board-sanctioned Technical Electronic Communications Working Group or approved by the Board, and have in place an executed TPS Agreement. The undersigned parties agree that TPS bill inserts are limited to TPS residential customers and nothing herein shall be construed to open the utility envelope to entities that are not eligible TPSs.

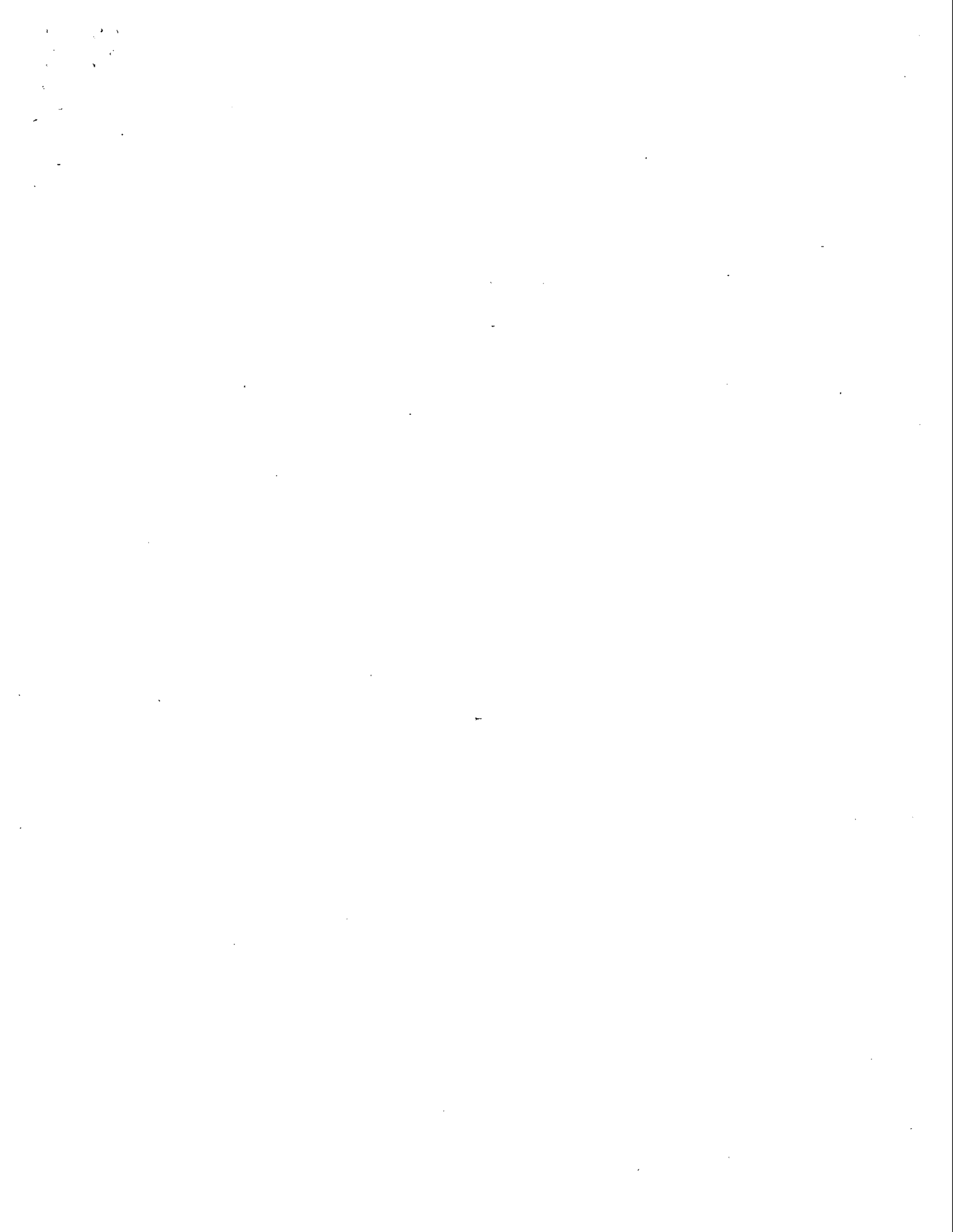
#### TPS CONSOLIDATED BILLING

5. The TPSs agree that all Utility Consolidated Bill Options as detailed in paragraph 3 shall be reciprocally provided to the utilities by the TPSs under the same agreed conditions.<sup>5</sup>

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<sup>4</sup> See utility specific attachments.

<sup>5</sup> See utility specific attachments. Further, the TPSs and the utilities will have the option, at the billing parties sole discretion, of including either (i) the logo or (ii) the name in prominent, boldfaced letters in a manner that is satisfactory to both parties. Exercise of this option shall be on a reciprocal basis.



6. The undersigned utilities agree that, as set forth below, licensed gas and/or electric TPSs that are compliant with consensus documents developed by a Board-sanctioned technical electronic communications working group or approved by the Board, and have in place an executed TPS Supplier Agreement shall have the opportunity to provide a bill ready consolidated bill to their customers pursuant to an executed Billing Services Agreement.<sup>6</sup> The undersigned parties agree that as the consolidated billing provider the TPS is responsible to fulfill all applicable NJAC and Board-mandated notices and directives concerning utility customer bill information and format and other regulatorily mandated notices and information relating to the utilities' tariffed delivery services, except for information regarding services deemed competitive by the Board of Public Utilities. The parties will hold each other harmless for any inaccuracies, content errors or delays in delivery for company-specific billing information or information required in accordance with Board-mandated notices and directives. The parties agree to begin immediately after signing this Settlement to establish and to work with the New Jersey Billing Implementation/EDI Working Group (Working Group) to create the process flows, business rules and EDI transactions, or other acceptable Board-approved electronic data exchange protocols, necessary to facilitate the implementation of the services contained in this Settlement. Implementation of TPS consolidated billing shall commence 120 days after adoption by the Working Group or, adoption by the Board of

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<sup>6</sup> See utility specific attachments.

such EDI standards or other electronic data exchange protocols, but not sooner than 120 days after a final, written Board Order approving this Settlement.<sup>7</sup> Full implementation of TPS consolidated billing requires EDI compliance testing by the TPS with the utility. The Board's approval of this Settlement shall also be deemed approval for the establishment of the above-referenced Working Group.

7. For TPSs that provide their customers with bills in electronic form, the utilities will provide the utility bill inserts to the TPS in an agreed-upon electronic form.

8. For the purposes of this Settlement, the parties agree that when a TPS supplier or suppliers bill all utility charges and information relating to the utility's tariffed services so that the utility is not required to send a bill to the customer, a credit or credits will be applied as delineated on Attachment C. In the case of combined electric and gas customers, a TPS supplier or suppliers may bill, and credits will be provided, as delineated in Public Service's Attachment C.

9. In order to expedite meter data access and subject to the outcome of the further discussions contemplated by Paragraph 16 and the issuance of a further Board Order addressing CAS issues as contemplated therein, with respect to interval meters, upon receipt of written approval from the TPS' customer, the utilities will allow TPSs either to (1) have a pulse initiator connected to the meter to enable the TPS to utilize its own equipment to obtain real-time access to metering data, or (2) periodically call into meters (on a read-only basis) with remote capabilities to obtain such data (if possible).

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<sup>7</sup> Unless modified in the respective utility attachments



Notwithstanding the foregoing, during the term of this Settlement the TPS will not be permitted to physically alter, remove or change a meter or its programming (including breaking the meter seal), and the utility meter will remain the meter of record for billing and PJM settlement purposes. Further, it is recognized by all parties that the data obtained from the meter in either of the two options is not billing-grade data. With respect to option (1), the utility will connect the pulse initiator to the meter, and the TPS will be responsible for procurement and installation of its own equipment. With respect to option (2), during the term of this Settlement the ability to have remote access to the existing meter may be limited based on the type of meter currently installed or may require the meter to be upgraded at the TPS' expense. Also, during the term of this Settlement the TPS will have a designated period or periods of time, defined by the utility, when they can access the meter to extract data. The TPS may be required to install a separate telephone line and a meter with two data ports at the TPS' expense, or install its own equipment as described in option #1. The utility reserves the right to limit access to the meter during the pre-determined TPS access periods during times of interruption or curtailment (if applicable), and will notify the TPS in such cases. For both of the service options, the utility shall charge the TPS a fee(s) which would be approved by the Board, or determined in accordance with existing tariff provisions governing utility work for customers. The utilities, TPSs, the Ratepayer Advocate, Board Staff, and other interested parties will form a technical working group to evaluate new technologies

or options for accessing or distributing meter data as they emerge, to assess their value and applicability to existing utility meters and to assist in the consideration of issues relating to competitive metering as contemplated by Paragraph 16.

#### OTHER PROVISIONS

10. Upon the implementation of consolidated billing by the utilities and/or the TPSs pursuant to the terms of this Settlement, the undersigned parties agree that the billing party shall assume the non-billing party's receivables pursuant to the terms and conditions set forth in Attachment D hereto. The utilities will permit the assumption of their receivables by TPSs that have met the appropriate credit criteria.

Notwithstanding the foregoing, the parties recognize that the treatment of the utilities' uncollectibles is subject to consideration in the Universal Service Fund ("USF") proceeding currently pending before the Board in Docket No. EX00020091. Nothing in this Settlement shall preclude or in any way prejudice the right of any party to take any position regarding the treatment of utility uncollectibles in the ongoing USF proceeding or any future USF proceeding.

11. The utilities agree to negotiate in good faith with TPSs regarding any new business services or enhancements to the foregoing business services and related fees, which a TPS may propose to the utilities and which the utilities may elect to offer to TPSs.

12. The undersigned parties agree that costs incurred by the utilities to comply with the terms of this Settlement, not otherwise recovered from TPSs shall be subject to treatment as detailed in utility-specific Attachment E.

13. The undersigned parties agree to collaborate in good faith on developing upgraded access to pre-enrollment and post-enrollment meter data in the interest of facilitating the intent and terms of this Settlement. In this regard, the undersigned parties agree that a one-time generic response card, as described in Attachment F, will be provided in the regularly scheduled customer bill to assist licensed TPSs, registered aggregators, and government entities interested in pursuing aggregation in locating and marketing to customers interested in soliciting competitive offers, subject to the approval of the Board.

14. The undersigned parties agree that this Settlement and all of its terms herein shall continue in full force and effect until August 1, 2003, or upon the effective date of a superceding settlement and/or Board Order addressing the matters contained in this Settlement. Notwithstanding the foregoing, Paragraph 12 and Attachment E will not expire until full collection of the costs which have been incurred as of July 31, 2003 as referenced therein.

15. The undersigned parties recommend the establishment of a Technical Implementation Task Force chaired by Commissioner Frederick F. Butler, or his designee, to include a representative from each utility, union representatives, Board Staff, the Division of the

Ratepayer Advocate (RPA), marketers, trade organizations and any other party that wishes to participate. It is the expectation of the undersigned parties that the Task Force will be in place at least through July 31, 2003. It is the intention of the undersigned parties to utilize this Task Force to identify and resolve Competitive Customer Account implementation issues through negotiation by this technically competent group.

16. The parties agree to meet following Board approval of this Settlement, but not later than August 1, 2001, to consider the following issues which are not intended to be a limiting list for purposes of negotiation or possible future hearing:

- Bill credits for continued TPS consolidated billing.
- Other issues relating to competitive billing services, including bill presentment, processing and posting of payments, customer bill inquiries, and credit and collections, and appropriate bill credits associated therewith;
- Competitive metering services, including meter ownership, meter maintenance, meter reading and meter data management, and appropriate bill credits associated with the current meter technology and advanced meter technology;
- All other competitive CAS, and appropriate bill credits associated therewith;
- All regulations, tariffs, utility-supplier agreements, business rules, and information exchange protocols necessary to implement competition in CAS;
- The respective roles of the LDC/TPS, the BPU and the Ratepayer Advocate with respect to CAS in the post-transition period.

The undersigned parties expressly reserve their rights to positions consistent with their business needs at that time.

The undersigned parties further agree that if they are unsuccessful in resolving the issues relevant to the above, a proceeding to address such issues shall be commenced by a Board Order issued on or before January 1, 2002 that shall assure completion of such proceeding and the issuance of a Board Order that shall resolve all CAS issues not resolved by this Settlement or through subsequent negotiation by the parties on or before January 1, 2003. The proceeding shall commence with the utilities filing embedded and, at the utilities option, other types of cost of service studies with their testimony. The undersigned parties contemplate and recommend that the Board issue a final order in this proceeding on or before January 1, 2003. Nothing in this Settlement prejudices the right of any party to prospectively take any position deemed appropriate by such party or to assert that the Act does or does not mandate that any customer account service must become competitive. The parties contemplate full implementation of that order by August 1, 2003.

17. The undersigned parties commit their firm intentions to take all reasonable efforts to implement the terms of this Settlement in the most efficient and timely manner possible.

18. The undersigned parties agree that this Settlement contains mutually balancing and interdependent provisions and is intended to be accepted and approved in its entirety. In the event any particular aspect of this Settlement is not accepted and approved by the Board, or is subsequently overturned by any future decision or in any court this Settlement shall be null and void and the undersigned parties shall be placed in

the same positions that they would have been in had this Settlement not been executed. To that end the undersigned parties agree that when the Board approves this Settlement the signing utilities will cease participation in the ongoing litigation and the record will close as to them. The non-utility signing parties and the Consenting Parties (as defined below) agree that any litigation continuing past the date when the record closes as to the signing utilities will apply only to non-signing utilities.

19. This Settlement is supported by the undersigned parties who are also referred to as the Consenting Parties. Consenting Parties shall also include parties to this proceeding that notify the Board that they do not oppose this generic Settlement. Other parties may become Consenting Parties by either (1) notifying the Board in writing of their status within a period to be established by the Board when this Settlement is filed with the Board, or (2) not notifying the Board that they oppose the Settlement within the period established by the Board. Consenting Parties shall be fully bound by the terms of this Settlement. The parties agree that, when the Board approves this Settlement, this Settlement will constitute the final resolution of the matters addressed herein with respect to the signing utilities, for the term of this Settlement. After Board approval of this Settlement, no Consenting Party shall seek to impose on any other party hereto any different outcome that may result from the ongoing litigated proceeding or support any attempt to do so. If this Settlement is approved by the Board, no decision or finding in the ongoing litigated proceeding shall be binding with respect to any signing utility, and

all parties shall be free to advance any position deemed appropriate in the proceeding contemplated by Paragraph 16.

Nothing in this Settlement shall either preclude or in any way prejudice the right of any Consenting Party to take any position in any future proceedings in which the matters addressed by this Settlement are considered.

20. The undersigned parties hereby agree that this Settlement has been made exclusively for the purpose of this proceeding, should not be referenced in any other proceeding, and that this Settlement, in total or by specific item, is in no way binding upon them in any other proceeding, except to enforce the terms of this Settlement.

**Public Service Electric & Gas Company**

**Division of Ratepayer Advocate**

By: Francis E. Delany, Jr.  
Francis E. Delany, Jr., Esq.

By: Blossom A. Peretz  
Blossom A. Peretz, Director

Dated: July 16, 2000

Dated: July 14, 2000

**Atlantic City Electric Company  
d/b/a Conectiv Power Delivery**

**Jersey Central Power & Light  
Company d/b/a GPU Energy**

By: \_\_\_\_\_  
Mark L. Mucci, Esq.  
LeBoeuf, Lamb, Greene & MacRae

By: Marc B. Lasky  
Marc B. Lasky, Esq.  
Thelen Reid & Priest LLP

Dated: \_\_\_\_\_

Dated: \_\_\_\_\_

**Enron Corporation**

**Utility.com**

By: \_\_\_\_\_  
Murray Bevan, Esq.

By: \_\_\_\_\_  
Arthur T. Vanderbilt, II, Esq.  
Carella, Byrne, Bain, Gilfillan,  
Cecchi, Stewart & Olstein

Dated: \_\_\_\_\_

Dated: \_\_\_\_\_



**Public Service Electric & Gas Company**

**Division of Ratepayer Advocate**

By: \_\_\_\_\_  
Francis E. Delany, Jr., Esq.

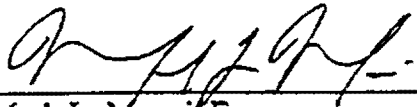
By: \_\_\_\_\_  
Blossom A. Peretz, Director

Dated: \_\_\_\_\_

Dated: \_\_\_\_\_

**Atlantic City Electric Company  
d/b/a Conectiv Power Delivery**

**Jersey Central Power & Light  
Company d/b/a/ GPU Energy**

By:   
Mark L. Mucci, Esq.  
LeBoeuf, Lamb, Greene & MacRae

By: \_\_\_\_\_  
Marc B. Lasky, Esq.  
Thelen Reid & Priest LLP

Dated: July 11, 2000

Dated: \_\_\_\_\_

**Enron Corporation**

**Utility.com**

By: \_\_\_\_\_  
Murray Bevan, Esq.

By: \_\_\_\_\_  
Arthur T. Vanderbilt, II, Esq.  
Carella, Byrne, Bain, Gilfillan,  
Cecchi, Stewart & Olstein

Dated: \_\_\_\_\_

Dated: \_\_\_\_\_

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Francis E. Delany, Jr., Esq.

By: \_\_\_\_\_  
Blossom A. Peretz, Director

Dated: \_\_\_\_\_

Dated: \_\_\_\_\_

**Atlantic City Electric Company  
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By: \_\_\_\_\_  
Marc B. Lasky, Esq.  
Thelen Reid & Priest LLP

Dated: \_\_\_\_\_

Dated: \_\_\_\_\_

**Enron Corp.**

**Utility.com**

By: Murray E. Bevan  
Murray E. Bevan, Esq.  
Courter, Kobert, Laufer  
& Cohen, P.C.


By: \_\_\_\_\_  
Arthur T. Vanderbilt, II, Esq.  
Carella, Byrne, Bain, Gilfillan,  
Cecchi, Stewart & Olstein

Dated: 7/11/00

Dated: \_\_\_\_\_

**Public Service Electric & Gas Company**

**Division of Ratepayer Advocate**

By:   
Francis E. Delany, Jr., Esq.

By: \_\_\_\_\_  
Blossom A. Peretz, Director

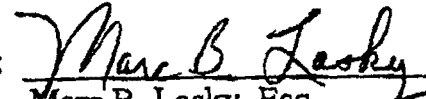
Dated: July 10, 2000

Dated: \_\_\_\_\_

**Atlantic City Electric Company  
d/b/a Conectiv Power Delivery**

**Jersey Central Power & Light  
Company d/b/a GPU Energy**

By: \_\_\_\_\_  
Mark L. Mucci, Esq.  
LeBoeuf, Lamb, Greene & MacRae

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Marc B. Lasky, Esq.  
Thelen Reid & Priest LLP

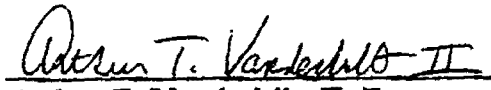
Dated: \_\_\_\_\_

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Arthur T. Vanderbilt, II, Esq.  
Carella, Byrne, Bain, Gilfillan,  
Cecchi, Stewart & Olstein

Dated: \_\_\_\_\_

Dated: July 12, 2000

**Mid-Atlantic Power Supply Association**

**Reliant Energy Retail, Inc.**

By: \_\_\_\_\_  
Martin C. Rothfelder, Esq.  
The Rothfelder Law Offices

By: \_\_\_\_\_  
Jocile K. Ogg, Esq.  
John & Hengerer

Dated: \_\_\_\_\_

Dated: \_\_\_\_\_

**IBEW 94 & OPEIU 153**

**Utility Co-Worker's Association**

By: \_\_\_\_\_  
Paul A. Montalbano, Esq.  
Schneider, Goldberger, Cohen, Finn,  
Solomon, Leder & Montalbano

By: \_\_\_\_\_  
George Duggan, Esq.

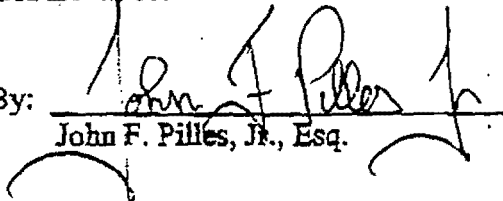
Dated: \_\_\_\_\_

Dated: \_\_\_\_\_

**Local 210, IBEW**

**UA Local 855**

By: \_\_\_\_\_  
Brian E. Curtis, Esq.  
Schneider, Goldberger, Cohen, Finn,  
Solomon, Leder & Montalbano

By: \_\_\_\_\_  
  
John F. Pilles, Jr., Esq.

Dated: \_\_\_\_\_

Dated: July 12, 2000

**Mid-Atlantic Power Supply Association**

**Reliant Energy Retail, Inc.**

By: \_\_\_\_\_  
Martin C. Rothfelder, Esq.  
The Rothfelder Law Offices


By: \_\_\_\_\_  
Joelle K. Ogg, Esq.  
John & Hengerer

Dated: \_\_\_\_\_

Dated: \_\_\_\_\_

**IBEW 94 & OPEIU 153**

**Utility Co-Worker's Association**

By:  \_\_\_\_\_  
Paul A. Montalbano, Esq.  
Schneider, Goldberger, Cohen, Finn,  
Solomon, Leder & Montalbano

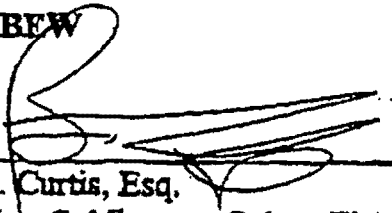
By: \_\_\_\_\_  
George Duggan, Esq.

Dated: 7/19/02

Dated: \_\_\_\_\_

**Local 210, IBEW**

**UA Local 855**

By:  \_\_\_\_\_  
Brian E. Curtis, Esq.  
Schneider, Goldberger, Cohen, Finn,  
Solomon, Leder & Montalbano

By: \_\_\_\_\_  
John F. Pilles, Jr., Esq.

Dated: \_\_\_\_\_

Dated: \_\_\_\_\_

**Mid-Atlantic Power Supply Association**

By: \_\_\_\_\_  
Martin C. Rothfelder, Esq.  
The Rothfelder Law Offices

Dated: \_\_\_\_\_

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Joelle K. Ogg, Esq.  
— John & Hengerer

Dated: \_\_\_\_\_

**IBEW 94 & OPEIU 153**

By: \_\_\_\_\_  
Paul A. Montalbano, Esq.  
Schneider, Goldberger, Cohen, Finn,  
Solomon, Leder & Montalbano

Dated: \_\_\_\_\_

**Utility Co-Worker's Association**

By: George Duggan  
George Duggan, Esq.

Dated: July 14, 2000

**Local 210, IBEW**

By: \_\_\_\_\_  
Brian E. Curtis, Esq.  
Schneider, Goldberger, Cohen, Finn,  
Solomon, Leder & Montalbano

Dated: \_\_\_\_\_

**UA Local 855**

By: \_\_\_\_\_  
John F. Pilles, Jr., Esq.

Dated: \_\_\_\_\_

**Mid-Atlantic Power Supply Association**

By: Martin C. Rothfelder  
Martin C. Rothfelder, Esq.  
The Rothfelder Law Offices

Dated: 7/18/00

**Reliant Energy Retail, Inc.**

By: \_\_\_\_\_  
Joelle K. Ogg, Esq.  
John & Hengerer

Dated: \_\_\_\_\_

**IBEW 94 & OPEIU 153**

By: \_\_\_\_\_  
Paul A. Montalbano, Esq.  
Schneider, Goldberger, Cohen, Finn,  
Solomon, Leder & Montalbano

Dated: \_\_\_\_\_

**Utility Co-Worker's Association**

By: \_\_\_\_\_  
George Duggan, Esq.

Dated: \_\_\_\_\_

**Local 210, IBEW**

By: \_\_\_\_\_  
Brian E. Curtis, Esq.  
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Solomon, Leder & Montalbano

Dated: \_\_\_\_\_

**UA Local 855**

By: \_\_\_\_\_  
John F. Pilles, Jr., Esq.

Dated: \_\_\_\_\_

SCHEDULE OF ATTACHMENTS

- A. Terms and Conditions of Consolidated Billing
- B. Bill Insert Service Option
- C. TPS Consolidated Bill Credits
- D. Terms and Conditions of Receivables
- E. Cost Recovery
- F. Customer Data Card



**PSE&G  
ATTACHMENTS**

Terms and Conditions of Consolidated Billing

**PSE&G Consolidated Print Format:**

- Public Service will provide one rolling page for TPS data through July 31, 2003. This rolling page for TPS data will begin in and will include the current data as the 'Third Party Supplier' section of the current PSE&G bill and will commence after the current data being printed in that section.
- There will be separate files for gas and electric. One rolling page will be available for gas, and one rolling page will be available for electric. In other words, if there is a supplier who offers both electric and gas commodity and chooses the consolidated billing option from PSE&G, they will send two separate files (if they chose) of additional pages.
- The text supplied by suppliers will print in all caps. The pitch will be fixed; at 18 characters/inch.
- Font will be a customized Helvetica condensed.
- The text supplied by suppliers should be 70 bytes in length, and consist of 60 lines (rows) of data. Trailing blank lines (if the supplier does not utilize all 60 lines) will not print. The current six data points will be included within the above-referenced 60 rows of data.
- All data must be text only, except the logo, if used, which will be sent to PSE&G prior to consolidated billing commencing, will be black and white, will be the same for all customers and will be placed in the upper left corner of the rolling page worth of data. The IBM page segment should be supplied for the supplier logo, if used, with ample lead-time to implement and test the logo. (PSE&G can put the logo under the supplier name that prints in the upper left side of the beginning of the TPS section). The logo, if used, will be the same for all customers.
- Bill reprinting will be limited to page one of the current PSE&G consolidated bill and will not contain any bill inserts.
- If off cycle bills are issued, the current text that PSE&G has will be printed on the bill.
- Standard PSE&G stock will be used.

**TPS Data Transmission & Synchronization to PSE&G:**

- This additional page worth of data will not impact the current EDI consolidated billing process.

- PSE&G will receive and maintain a database worth of text data that PSE&G will hold until it receives a replacement set of data. In other words, PSE&G will hold one piece of text data per supplier, per account. This will continue to be printed on the bill until it is removed or replaced by another text file.
- Data must be received in text blocks and will have to have a key on it. This key must contain a supplier ID, a customer account number and a distinction of electric or gas service.
- Data transmission (i.e internet, direct line, etc.) will be determined.
- PSE&G must still receive the six data points in the current EDI transaction. If no EDI data is received; the current "TPS data not available" message will print. Also, the EDI 810 is the trigger to print the additional data. If no 810 is received within the 48 hour window, no additional data will be printed.
- Bill insert identifier will be put on by PSE&G.

**PSE&G Timing:**

- This consolidated billing option will initially be offered for electric service within 120 days from the Board's written Order adopting this Settlement<sup>1</sup>. Gas consolidated billing will be available by 12/15/00<sup>2</sup> according to the current time line or sooner if that service can be expedited.

**TPS Consolidated Billing:**

- The TPS will provide a bill ready consolidated bill and include up to one rolling page at no charge to the PSE&G through July 31, 2003 with the PSE&G logo, if used, and a place for PSE&G information consistent with the terms and conditions set forth under PSE&G Consolidated Print Format and Data Transmission & Synchronization sections of this Attachment.
- PSE&G will deliver the appropriate number of copies of all applicable NJAC and Board mandated notices and directives concerning utility customer bill information and format and other regulatory mandated notices and information relating to the utilities' tariffed delivery services, except for information regarding services deemed competitive by the Board of Public Utilities, in accordance with a logistical schedule provided by the TPS.
- The TPS will include these inserts in customer bills in accordance with regulatory mandates and requirements.

---

<sup>1</sup> This timing assumes a scenario in which the six data points currently provided by the TPSs to Public Service for consolidated billing would be provided by Public Service to the TPSs.

<sup>2</sup> This timing also assumes a scenario in which the six data points currently provided by the TPSs to Public Service for consolidated billing would be provided to Public Service by the gas TPSs.

- For TPSs that provide their customers with bills in electronic form, PSE&G will provide the utility bill inserts to the TPS in an agreed-upon electronic form.
- The TPS will utilize the rate components provided by the utility for all relevant customer classes
- The TPS is responsible for assuring all bill format and content compliance with NJAC and Board-mandated notices and directives concerning utility customer bill information.

**Bill Insert Service Option**

The purpose of this document is to communicate PSE&G's bill insert service option specifications. General information:

- PSE&G can allot three inserting slots for use by Third Party Suppliers.
- All residential customers of a particular supplier will get their insert (i.e. only one supplier insert will be included in a customer bill).
- PSE&G shall have the right to exclude any insert that it deems, in good faith, to be objectionable or in bad taste or that PSE&G believes, in good faith, would be inconsistent with PSE&G's corporate image. Any dispute over PSE&G's exercise of this shall be resolved through binding arbitration before the American Arbitration Association.
- The service will be provided to TPSs at a negotiated rate.
- The TPS will provide a copy of each of its proposed bill inserts to the utility thirty (30) days prior to the TPSs intended date for inclusion of such bill insert within the utility's consolidated bills.
- The TPS will provide the required number of fully printed inserts in accordance with then current specifications, and consistent with the timing, criteria, terms and conditions set forth below.
- The TPSs' bill inserts shall be limited to company information and/or information on products and services offered by the TPS in New Jersey and shall not include derogatory statements about competition or each other's respective services.

To support efficient processing, it is imperative that certain physical characteristics, such as weight and size, conform to the criteria identified below.

**1. Process for Establishing Inserts:**

**A. TPS Responsibilities**

- 1) PSE&G will provide written notice to the bill print provider via E-mail of the intent to use supplier inserts for a specific month.
- 2) TPS will supply PSE&G with the following information at least 10 calendar days prior to the scheduled mailing date. Said information should be titled "ATTN: Insert Coordinator" and must include:
  - Insert name
  - Estimated volume of inserts to be processed
  - Bill cycles scheduled to receive the inserts
  - PSE&G will inform the TPS what 8 digit insert identification code they should use
- 3) TPS will deliver inserts to the designated bill print provider at least 5 calendar days prior to the scheduled mailing date of each insert
- 4) TPS will ensure that inserts are manufactured in accordance with the specifications in this document.
- 5) TPS will arrange for the manufacturing and delivery of the inserts.
- 6) TPS will ensure consistency in the insert identification code as it appears on the faxed notification of intent to include an insert, the data files transmitted to the bill print provider and on the outside of each insert
- 7) TPS will provide specific direction for the disposition of unused inserts. If no direction is given when the insert is scheduled, unused inserts will be destroyed.

- 8) If inserts need to be returned, TPS will be responsible for costs of coordinating removal of inserts from PSE&G property or the property of PSE&G's outside contractor including collection of remaining inserts, scheduling arrangements of shipping and actual shipping costs.

B. Bill Print Provider Responsibilities:

- Establish insert controls based on the scheduling information provided by PSE&G.

2. **Insert Physical Specifications:**

A. **Size Requirements:**

	<u>Minimum</u>	<u>Maximum</u>
Height	3.00 in.	3.75 in.
Width	5.13 in.	6.75 in.
Thickness	.06 in.	.10 in.

B. Fold Requirements: TPS must ensure that the inserts conform to the following fold requirements:

- 1) Acceptable insert folds:
  - No fold
  - Half fold — folded insert must conform to size requirements noted above
  - "C" fold — folded insert must conform to size requirements noted above
- 2) Unacceptable insert folds:
  - Accordion folds
  - "Z" folds
- 3) Folds must be even, square, crisp, and uniform.
- 4) Fold must be on the WIDTH edge

C. Paper Stock: TPS must ensure that the inserts are manufactured on 60 lb offset or 60 lb matt paper stock. Glossy finish inserts are not acceptable. TPS may use 50 lb stock only when folded inserts are used.

D. Insert Identification Code Printed on Insert:

- 1) TPS will ensure that an insert identification code is printed on each insert. This 8 digit insert identification code must match the insert identification code that appears on the:
  - E-mail notification of intent to include an insert
  - Data files transmitted to the bill print provider
- 2) The insert identification code must appear on the outside of each insert, printed in a 9-point font size.

E. Insert Identification Code Requirements:

- 1) Must be an 8-digit unique alpha/numeric code.
- 2) TPS must provide the insert identification code to the bill print provider's Insert Coordinator at least 10 days prior to date to be inserted.
- 3) All inserts with the same insert identification code must be the same (e.g. size, thickness, etc.).

F. Miscellaneous Production Notes:

- 1) Inserts must not have cutouts.
- 2) PSE&G must secure prior approval from the bill print provider to include insert features that deviate from the insert specifications set forth in this document. TPS or PSE&G may be required to provide the bill print provider with a minimum of 2,500 test inserts to be used for production testing. Requests for inserts that deviate from the specifications will be handled on an individual case basis, and must be reviewed each time a deviation is requested. Acceptance of a deviation by the bill print provider must not be interpreted as on-going approval of any deviation to the specifications herein established.
- 3) The following guidelines will be strictly adhered to relative to pull off labels or stickers used in inserts:
  - Label or sticker must be on the inside fold.
  - If there is one label it must be centered. Note this Packaging Requirement: The packaged stock of inserts with labels must have a firm piece of cardboard on the top and bottom before being paper banded.
  - If there are two labels they must be centered to the degree possible, and one label must not overlap the other.
  - No label can be positioned in the insert fold.
- 4) Insert Appearance/Distinguishing Characteristics: Insert appearance must be unique and easily distinguishable from any other insert provided by the TPS. When inserts similar in appearance are a TPS requirement, every attempt should be made to incorporate a color scheme or unique marking to clearly differentiate one insert from another. TPS must secure prior approval from the bill print provider or any exceptions to the unique appearance requirement. If an exception is approved then the TPS must ensure that the similar inserts are packaged using different color paper banding to clearly distinguish one insert from another.

3. **Insert Packaging Specifications:**

A. Banding:

- 1) Paper banding only. (Two rubber bands for single panel inserts – subject to testing)
- 2) Single panel inserts—band using minimum of 60 lb paper in minimum 4 inch to maximum 4.5 inch bundles.
- 3) Multi-panel folded inserts:
  - Band using minimum of 70 lb paper in 3 inch bundles
  - Folded edges must face in the same direction
  - If an exception is approved by the bill print provider to use a paper weight of less than 50 lb, chip board must be placed at the top and bottom of each insert bundle.

B. Bundle Packing in Cartons:

- 1) Bundles must all face the same direction.
- 2) Bundles must be placed flat in cartons.
- 3) Bundles must not be placed on sides or ends.

C. Carton Weight and Size:

- Maximum carton weight is 35 lb.

- Cartons must be the same size for any given insert

D. Carton Markings:

- 1) The exterior of the carton must be clearly marked with:
  - The insert identification code
  - The amount of inserts bundled per pack
  - The number of packs contained in the carton
  - The number of cartons per shipment (1 of 5, 2 of 5, etc.)
- 2) Sample of the insert must be affixed to the outside of each carton.

E. Pallet Requirements:

- 1) No pallets are to be double stacked.
- 2) Size 42" x 42"
- 3) Maximum pallet height is four (4) feet

4. Insert Delivery Requirements:

A. Delivery Date:

- The bill print provider must receive inserts 5 days in advance of scheduled mailing date.

B. Receiving Days/Hours:

- Monday through Friday, 8:00 a.m. to 4:00 p.m.

C. Truck Size:

- No restrictions.

D. Delivery Address:

- 1) To be determined

E. Delivery Documentation:

- 1) Insert vendor delivery bill of lading must include the number of cartons delivered, and must clearly identify the type of stock and paper weight used for inserts (e.g., 60 lb offset matt)

5. Contingency for Damage:

- Additional Inserts Requirement: TPS will provide the bill print provider with additional inserts as a contingency for damaged inserts based on the following schedule:

<u>Quantity Shipped</u>	<u>% Extra Inserts Required</u>
0-100	25%
101-5,000	15%
5,001-10,000	10%
10,001-50,000	7%
50,001-1,000,000	6%
1,000,001 or more	5%



DRAFT FOR DISCUSSION ONLY  
TPS CONSOLIDATED BILL CREDITS

For Third Party Suppliers issuing consolidated customer bills, PSE&G will credit the customer as follows:

- a) For a TPS consolidated bill, in accordance with this settlement, a bill credit of \$1.00 per bill per month, including Sales and Use Tax, will be provided of which \$.58 is a market development cost. For combined electric and gas customers, a TPS may bill for all utility charges when they supply only one commodity so long as the utility is the provider of Basic Gas Supply Service (BGSS) or Basic Generation Service (BGS). If the customer is both an electric and gas customer, and Public Service must provide two separate TPSs with a billing credit for that service for which they are billing, a billing credit of \$.75, including Sales and Use Tax, per customer will be provided to each of the TPSs supplying consolidated billing to said gas and electric customer, of which \$1.08 is a market development cost. If a supplier chooses to provide a single commodity to a combined gas and electric customer and only provides a consolidated bill for that commodity, and Public Service must provide a bill for the other commodity, a bill credit of \$.25 per bill per month will be posted to the customers account of which \$.23 will be considered a Market Development Fund Cost.
- b) If for any reason, Public Service is required by the BPU or requested from a TPS to conduct any related mailing related to utility delivery service, including but not limited to BPU mandated notices, NJAC requirements, or other regulatory requirements as delineated in Paragraph 6, the customer credit will be \$.60 per bill for each time the Board orders the utility to make such a mailing, of which \$.58 will be considered a Market Development Fund cost. Public Service agrees in all such instances to request that the Board permit the billing TPS to make the required mailing.

**TERMS & CONDITIONS OF RECEIVABLES**

When a consolidated bill is presented, the billing party will assume the non-billing party's Receivables pursuant to the following terms; these terms which shall be embodied in a written contract to be executed between the billing and non-billing party:

1. In its September 17, 1999 irrevocable financing order issued to PSE&G providing for, among other things, the issuance and sale of Transition Bonds, the BPU established the terms and conditions under which a TPS may bill and collect Transition Bond Charges or the MTC-Tax Charges authorized thereunder:

27. Any TPS that proposes to collect Transition Bond Charges or the MTC-Tax must (i) meet the creditworthiness criteria to be established by the Board, and at a minimum, the criteria set forth and approved below in this Financing Order; and (ii) comply with the billing, collection and remittance procedures and information access requirements set forth below.

28. The Board will only authorize a TPS to bill and collect the Transition Bond Charge or the MTC-Tax for remittance to the Servicer or the Petitioner respectively, if (i) such TPS agrees to remit the full amount of all charges it bills to customers for services provided by the Petitioner or any successor electric public utility, together with Transition Bond Charges and the MTC-Tax, regardless of whether payments are received from such customers, within 15 days of Petitioner's or the Servicer's bill for such charges, (ii) such TPS will provide the Servicer with total monthly kwh usage information for each customer in a timely manner for the Servicer to fulfill its obligations, as such information is the basis of such remittance, and (iii) the Servicer will be entitled, within seven days after a default by the TPS in remitting any charges payable to the Petitioner, together with Transition Bond Charges and the MTC-Tax, to assume responsibility for billing all charges for services provided by Petitioner or any successor electric public utility, including the Transition Bond Charges and the MTC-Tax, or to transfer responsibility to a qualifying third party. In addition, if and so long as such TPS does not maintain at least a 'BBB' (or the equivalent) long term unsecured credit rating from Moody's Investors Service or Standard & Poor's Rating Services, such TPS shall maintain, with the Servicer or as directed by the Servicer, a cash deposit or comparable security equal to two months' maximum estimated collections of all charges payable to the Servicer, including the Transition Bond Charges and the MTC-Tax, as reasonably estimated by Petitioner (or any such successor electric public utility or by the Servicer). In the event of a default in the remittance of any such charges by a TPS, any shortfall in Transition Bond Charge or MTC-Tax collections will be included in the periodic adjustment of the Transition Bond Charge and the MTC-Tax as described herein.

29. Customers will continue to be responsible for payment to the Servicer of the Transition Bond Charge and the MTC-Tax billed by a TPS, to the extent such customer has not paid Transition Bond Charges or MTC-Tax billed to it. In the event of a failure of any customer to pay the Transition Bond Charge or MTC-Tax, the Petitioner is authorized to shut-off power, or a successor Servicer is authorized to direct the electric public utility to shut-off power, to such customer in accordance with law.

The following alternatives are examples of acceptable vehicles deemed to satisfy the "or comparable security equal to two..." requirement noted in item 28 above:

- (a) A guarantee of payment, satisfactory in form and substance to PSE&G, from a Guarantor deemed to be credit worthy by PSE&G.
- (b) An irrevocable Letter of Credit, satisfactory in form and substance to PSE&G, issued by a bank or other financial institution that is acceptable by PSE&G.
- (c) A Surety or Performance Bond, including PSE&G as a beneficiary, satisfactory in form and substance to PSE&G, and enforceable in the event of bankruptcy.

Payments made to the utility after the 15-day due-date mark will be assessed late payment charges at a rate of 1.5% per month.

Accordingly, when a consolidated bill is presented, the TPS biller will assume the current utility charges as receivables pursuant to such terms and conditions, which shall be embodied in a written contract to be executed between the billing and the non-billing party.

2. If the Utility is the party supplying consolidated billing, PSE&G will pay all undisputed energy commodity charges to the non-billing party by the 5th day from due date noted on the consolidated bill. The parties agree that effective with the Board Order adopting this Stipulation, the utility will factor gas accounts, and the recovery of electric uncollectible expense will be charged to the Societal Benefits Charge (SBC).

If the customer dispute occurs after said payment, the disputed amount will be subtracted from the next bill payment on behalf of that customer unless non-billing party notification that the dispute is resolved (needs to occur at least five days before payment due date).

3. A customer is entitled to a consolidated bill once it is deemed credit worthy by the billing party. A customer will be informed that failure to keep their bills current will result in conversion from consolidated billing to dual billing for a period of one year.

At billing party's discretion, a customer may be converted from consolidated to dual billing after becoming delinquent at least 60 days; the customer and the non-billing party will be notified that the consolidated bill will not be supplied and that dual billing will commence with the next meter reading date, as long as the next meter reading date is no less than 15 days from the date of said notification.

If a customer is converted from consolidated to dual billing by any party for any reason, both the utility and the TPS will be responsible for its receivables, effective as of the start of dual billing.

4. Once PSE&G assumes the TPS receivables, the receivable will be treated utilizing PSE&G collection practices and procedures applied to delivery charges, including potential disconnection for non-payment.
5. Budget Billing: If the non-billing party wishes to offer budget billing, the non-billing party will remit the budget amount in the current charges fields to the billing party. The billing party will make the non-billing party whole on the budget amount. The non-billing party may send actual charges as informational charges to the billing party for presentation on the bill. The billing party has no responsibility for maintaining a deferred budget balance on behalf of the non-billing party.
6. Nothing in this Attachment shall either preclude or in any way prejudice the right of any party to take any position regarding utility uncollectibles in the Universal Service Fund or any future proceeding.

COST RECOVERY

- a) All Market Development Fund costs as defined in Attachment C shall be charged against the overcollected balance of Gross Receipts and Franchise Tax of \$2.9 million addressed in the Board Order of February 2, 2000 in Docket Nos. EA00010007 and GA00010008. If it becomes apparent that the \$2.9 million is inadequate to absorb the Market Development Fund costs, the Company reserves the right to file a proposal for a supplemental recovery mechanism with the Board. When TPS consolidated bill credits are no longer in effect, should the overcollected balance exceed the recoveries delineated in this Paragraph, the remaining balance will be applied to costs in Paragraph (b) herein.
- b) The utilities shall file a verified petition with the Board in order to establish the reasonableness of the following start-up costs not delineated in (a) above, incurred by the utilities to initiate the terms of this Settlement: costs incurred to develop consolidated billing pursuant to Paragraphs 3, 5 and 6 and upgraded meter access pursuant to Paragraph 9, not otherwise recovered from TPSs. These electric and gas restructuring costs shall be subject to deferred accounting and are recoverable from all customer classes eligible to obtain electric generation service from state licensed

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TPSs. The Ratepayer Advocate reserves its right to argue, at the time the utility files for recovery of costs referenced in this paragraph, that the cost recovery charges should apply to OTRA and special contract customers. All costs found to be reasonable by the Board shall be recovered by the utility via a clause mechanism on a per customer basis, with interest from the date costs are incurred, calculated pursuant to paragraph (c).

- c) For the recovery of costs identified in b above for gas utilities this clause will be initially set at the time the individual gas SBC charges are reset. For electric utilities deferred amounts for b above will be recovered over no more than a two-year period starting in August 2003. The interest rate on all deferred costs will be based on seven-year constant maturity treasuries as shown in the Federal Reserve Statistical Release on or closest to August 1 of each year plus 60 basis points.
  
- d) The recovery mechanisms defined herein shall, at the utility's option, be available to each utility in addition to, and not a replacement of, any recovery mechanism which may otherwise be available to each utility.

CUSTOMER DATA CARD

The utilities agree to include a one time bill insert to customers, to assist TPSs and registered aggregators in locating and marketing to customers interested in soliciting competitive offers from them, subject to the following:

- The insert shall be a self-explanatory generic response card for customers to complete if they wish to be contacted by licensed TPSs and registered aggregators and government entities interested in pursuing aggregation. This response card will require the customer to list their name, address, utility-specific identification number (account number or customer number). Response cards must meet reasonable utility technical requirements
- The card will be developed by a Consortium of licensed TPSs and registered aggregators in cooperation with the Ratepayer Advocate, and will be submitted to the BPU for approval of its contents and to the utilities for approval on mechanics of the card insert. The Consortium will print sufficient copies of the insert and deliver the insert to the location specified by the utility for insertion in the utility billing envelope.
- The Consortium will manage the data collection and collation process and be responsible for the dissemination of information to licensed TPSs, registered aggregators, and government entities interested in pursuing aggregation.

- The Consortium will compile all data from returned cards and create an electronic data set in file format acceptable to the utilities. Upon receipt of this data set, which must include a valid customer number or customer account number, the utilities will respond within 30 days with the following information provided to it by the Consortium, and providing the following additional information below for all valid customer data:

- Customer name;
- Customer address;
- Customer number or customer account number;
- Customer telephone number (if available and listed);
- Customer's rate class;
- Customer's average monthly electric usage;
- In the case of commercial and industrial rate classes, a customer's total annual electric usage and annual average demand.

Information provided will be that which is contained in the utility database, and the utilities make no further warranties regarding the data.

- The Consortium shall be responsible for all costs associated with this process other than the costs incurred by the utility to handle and mail the inserts, and the costs associated with utility collection and distribution of data to the Consortium's agent.



- A phone number for the Consortium or its agents shall be clearly identified on the accompanying instructions for the card, so that customers can contact the Consortium or its agents directly regarding any questions or concerns.
- The Consortium or its agents will be responsible for maintaining the customer signatures that are required to allow utilities to release data to the Consortium or its agents, and will hold the utility harmless in this regard.

# **GPU ATTACHMENTS**

GPU Consolidated Billing

**GPU (LDC) Consolidated Print Format:**

- GPU Energy will provide three areas on its bill for Third Party Supplier ("TPS") information. In the summary section on the front of the first page, in addition to the summary of charges, the TPS will have a box for the TPS contact information and logo. On the front of the second page, the TPS will have an area for details of its charges. These details will be provided line by line using appropriate NJ BPU approved EDI formats. The final area, either on the front or back of the second page, will contain text messages transmitted using the appropriate NJ BPU approved EDI formats. Information may flow onto a third page.
- Logos must be in page segment format.
- The text supplied by the suppliers will print both in small and capital letters. The font will be a standard AFP 10 pitch proportional font.
- The total information from the TPS (for all three sections) should be no more than 70 bytes in length, and consist of no more than 60 lines (rows) of data.
- The logo, if used, which will be sent to GPU Energy prior to commencement of consolidated billing, will be black and white, will be the same for all customers and will be placed in the summary section on the front page of the bill next to the supplier contact information.
- GPU Energy will provide for consolidated billing for electric charges only.
- GPU Energy will expect a TPS to send all charges and/or text via EDI for each customer account for each bill period. If no data is received from a TPS for a specified month, no current TPS charges will print on the TPS portion of the bill for that month.
- Data transmission will be EDI as part of the 810 transaction.
- The EDI 867 is the trigger to start the bill cycle. If no accompanying 810 is received within the 48 hour window, no current TPS charges will print on the bill for that month.

**Miscellaneous:**

- GPU Energy will implement this enhanced LDC consolidated billing option functionality within three months from the Board's written Order adopting the Settlement. Additionally, GPU Energy believes it will implement a "bill ready" LDC consolidated billing option, by June 30, 2000.
- Any TPS taking advantage of this option must pass EDI certification of the bill ready transactions prior to production use.

- Standard GPU Energy stock will be used.

### **TPS Consolidated Billing**

- The TPS will provide a bill ready consolidated bill in accordance with the terms of this Settlement, with the GPU logo if used, at no charge to GPU.
- GPU Energy will deliver the appropriate number of copies of all applicable NJAC and Board mandated notices and directives concerning utility customer bill information and format and other regulatory mandated notices and information relating to the utilities' tariffed delivery services, except for information regarding services deemed competitive by the Board of Public Utilities, to the TPS.
- TPS will include these inserts in customer bills in accordance with regulatory mandates to the extent applicable, at no cost to GPU Energy.
- TPS is responsible for assuring all bill format and content compliance with NJAC.
- TPS will offer the same EDI capability for printing line charges and messages as GPU Energy offers as is defined in the New Jersey EDI standards for "bill ready" billing.
- For TPSs that provide their customers with bills in electronic form, GPU Energy will provide the utility bill inserts to the TPS in an agreed-upon electronic form.
- TPS EDI testing will not commence with GPU Energy until after the TPS has passed any pre certification process with the Board Staff.

# GPU ENERGY ATTACHMENT B

## GPU Energy Bill Insert Service Option

The purpose of this document is to communicate GPU Energy's current bill insert service option specifications with its outsourcing provider. General information:

- GPU Energy can allot two inserting slots for use by Third Party Suppliers (TPS). These suppliers must follow a predetermined schedule created by GPU Energy
- All residential customers of a particular supplier will get their insert. Only one supplier insert will be included in its customer's bills.
- GPU Energy shall have the right to exclude any insert that it deems, in good faith, to be objectionable or in bad taste or that GPU Energy believes, in good faith, would be inconsistent with GPU Energy's corporate image. Any dispute over GPU Energy's exercise of this right shall be resolved exclusively through binding arbitration before the American Arbitration Association.
- This service will be provided to TPSs at a negotiated rate.
- The TPS will provide a copy of each of its proposed bill inserts to GPU Energy thirty (30) days prior to the TPS's intended date for inclusion of such bill insert within GPU Energy's consolidated bills.
- The TPS will provide the required number of fully printed inserts in accordance with then current specifications, and consistent with the timing, criteria, terms and conditions set forth below.
- The TPSs' bill inserts shall be limited to company information and/or information on products and services offered by the TPSs in New Jersey and shall not include derogatory statements about competition or each other's respective services.

To support efficient processing, it is imperative that certain physical characteristics, such as weight and size, conform to the criteria identified below. GPU Energy has the right to outsource bill printing to another vendor(s) or print internally. The following specifications are preliminary.

### 1. Process for Establishing Inserts:

#### A. TPS Responsibilities

- 1) GPU Energy will provide written notice to the outsourcer via E-mail of the intent to use supplier inserts for a specific month.
- 2) TPS will supply GPU Energy with the following information at least 60 calendar days prior to the scheduled mailing date. Said information should be titled "ATTN: Insert Coordinator" and must include:
  - Insert name
  - Estimated volume of inserts to be processed
  - Number of inserts to be shipped
  - Bill cycles scheduled to receive the inserts
  - GPU Energy will inform the TPS what 8-digit insert identification code the TPS should use
- 3) TPS will deliver inserts to the outsourcing provider at least 5 scheduled business days prior to the scheduled mailing date of each insert
- 4) TPS will ensure that inserts are manufactured in accordance with the specifications in this document.
- 5) TPS will arrange for the manufacturing and delivery of the inserts.
- 6) TPS will ensure consistency in the insert identification code as it appears on the faxed notification of intent to include an insert, the data files transmitted to the outsourcing provider and on the outside of each insert

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7) Insert identification codes for GPU Energy will use the following naming convention: GPUID-DD-YY

Where GPU = GPU Energy identifier fixed for all inserts

ID = Insert description

DD = the month in numeric format (example-- 04 for April)

YY = Year

8) TPS will provide specific direction for the disposition of unused inserts. If no direction is given when the insert is scheduled, unused inserts will be destroyed. If inserts need to be returned, TPS will be responsible for costs of coordinating removal of inserts from GPU Energy Property, including collection of remaining inserts, scheduling arrangements of shipping and actual shipping costs.

B. Print Outsourcer Responsibilities:

- Establish insert controls based on the scheduling information provided by GPU Energy.

2. **Insert Physical Specifications:**

A. Size Requirements:

	<u>Minimum Folded</u>	<u>Maximum Folded</u>
Height	3.5 in.	3.5 in.
Width	5.2 in.	6.5 in.
Thickness	.07 in.	.07 in.

B. Fold Requirements: TPS must ensure that the inserts conform to the following fold requirements:

- 1) Acceptable insert folds:
  - No fold
  - Half fold — folded insert must conform to size requirements noted above
  - "C" fold — folded insert must conform to size requirements noted above
- 2) Unacceptable insert folds:
  - Accordion folds
  - "Z" folds
- 3) Folds must be even, square, crisp, and uniform.
- 4) Fold must be on the WIDTH edge

C. Paper Stock: TPS must ensure that the single panel inserts are manufactured on 7 pt. Card stock. Glossy finish inserts are not acceptable. TPS will use 50 lb stock only when folded inserts are used. Inserts exceeding three panels are not acceptable.

D. Insert Identification Code Printed on Insert:

- 1) TPS will ensure that an insert identification code is printed on each insert. This 8-digit insert identification code must match the insert identification code that appears on the:
  - E-mail notification of intent to include an insert
  - Data files transmitted to the outsourcing provider
- 2) The insert identification code must appear on the outside of each insert, printed in a 9-point font size.

E. Insert Identification Code Requirements:

- 1) Must be an 8-digit unique alpha/numeric code.
- 2) TPS must provide the insert identification code to the outsourcer's Insert Coordinator at least 10 scheduled business days prior to date to be inserted.

- 3) All inserts with the same insert identification code must be the same (e.g. size, thickness, etc.).

F. Miscellaneous Production Notes:

- 1) Inserts must not have cutouts.
  - GPU Energy will not accept inserts with labels or any loose or affixed objects enclosed in them.
- 2) Insert Appearance/Distinguishing Characteristics: Insert appearance must be unique and easily distinguishable from any other insert provided by the TPS. When inserts similar in appearance are a TPS requirement, every attempt should be made to incorporate a color scheme or unique marking to clearly differentiate one insert from another. TPS must secure prior approval from the outsourcing provider or any exceptions to the unique appearance requirement. If an exception is approved then the TPS must ensure that the similar inserts are packaged using different color paper banding to clearly distinguish one insert from another.

3. Insert Packaging Specifications:

A. Banding:

- 1) Paper banding only. (Two rubber bands for single panel inserts – subject to testing).
- 2) Single panel inserts—band using minimum of 60 lb. paper in minimum 4 inch to maximum 4.5 inch bundles.
- 3) Multi-panel folded inserts:
  - Band using minimum of 70 lb. paper in 3-inch bundles
  - Folded edges must face in the same direction
  - If an exception is approved by the outsourcing provider to use a paper weight of less than 50 lb. chip board must be placed at the top and bottom of each insert bundle.

B. Bundle Packing in Cartons:

- 1) Bundles must all face the same direction.
- 2) Bundles must be placed flat in cartons.
- 3) Bundles must not be placed on sides or ends.

C. Carton Weight and Size:

- Maximum carton weight is 35 lb.
- Cartons must be the same size for any given insert

D. Carton Markings:

- 1) The exterior of the carton must be clearly marked with:
  - The insert identification code
  - The amount of inserts bundled per pack
  - The number of packs contained in the carton
  - The number of cartons per shipment (1 of 5, 2 of 5, etc.)
- 2) Sample of the insert must be affixed to the outside of each carton.

E. Pallet Requirements:

- 1) No pallets are to be double stacked.
- 2) Size 42" x 42".
- 3) Maximum pallet height is four (4) feet.

4. **Insert Delivery Requirements:**

A. Delivery Date:

- The outsourcing provider must receive inserts 5 scheduled business days in advance of scheduled mailing date. If more than one (1) skid per supplier is to be received during the month, special arrangements will need to be made due to storage weight requirements.

B. Receiving Days/Hours:

- Monday through Friday, 8:00 a.m. to noon; 1 p.m. to 4:00 p.m. No deliveries accepted between noon and 1 p.m.

C. Truck Size:

- Tailgate of truck must be a minimum of three (3) feet high. Any cartons not on skids must be off loaded by shipper/trucker.

D. Delivery Address:

To be determined

E. Delivery Documentation:

Insert vendor delivery bill of lading must include the number of cartons delivered, and must clearly identify the type of stock and paper weight used for inserts (e.g., 50 lb offset)

5. **Contingency for Damage:**

- Additional Inserts Requirement: TPS will provide the outsourcer with additional inserts as a contingency for damaged inserts based on the following schedule:

<u>Quantity Shipped</u>	<u>% Extra Inserts Required</u>
0-100	25%
101-5,000	15%
5,001-10,000	10%
10,001-50,000	7%
50,001-1,000,000	6%
1,000,001 or more	5%



## GPU ENERGY ATTACHMENT C

### TPS Consolidated Billing Credits

For Suppliers issuing consolidated customer bills, GPU Energy will credit the customers as follows:

- a) For a TPS consolidated bill, in accordance with this settlement, a bill credit of \$1.00 per bill per month, including Sales and Use Tax, will be provided of which \$.62 is a Market development cost.
- b) If for any reason, GPU Energy is required by the Board or requested by a TPS to conduct any related mailing related to utility delivery service, including but not limited to any delivery related materials, Board mandated notices, NJAC requirements, or other regulatory requirements as delineated in Paragraph 6, the customer credit will be \$.50 per bill for each time the Board orders the utility to make such a mailing, of which \$.42 will be considered a market development cost. GPU Energy agrees in all such instances to request that the Board permit the billing TPS to make the required mailing.

## GPU ENERGY ATTACHMENT D

When a consolidated bill is presented, the billing party will assume the non-billing party's receivables pursuant to the following terms; these terms shall be embodied in a written Billing Services Agreement to be executed between the billing and non-billing party:

1. GPU Energy has filed with the BPU for the issuance and sale of Transition Bonds. In that petition GPU Energy requested that the Board establish the terms and conditions under which a TPS may bill and collect Transition Bond Charges or the MTC-Tax Charges as follows:
  - a. Any TPS that proposes to collect Transition Bond Charges or the MTC-Tax must (i) meet the creditworthiness criteria to be established by the Board from time to time, and, at a minimum, the criteria set forth in GPU Energy's petition for a Financing Order; and (ii) comply with the billing, collection and remittance procedures and information access requirements set forth below.
  - b. The Board will only authorize a TPS to bill and collect the Transition Bond Charge or the MTC-Tax for remittance to the Servicer or the Petitioner, respectively, if (i) such TPS agrees to remit the full amount of all charges it bills to customers for services provided by the Petitioner or any successor electric public utility, together with Transition Bond Charges and the MTC-Tax, regardless of whether payments are received from such customers, within 15 days of Petitioner's or the Servicer's transmission for such charges to the TPS, (ii) such TPS will provide the Servicer with total monthly kwh usage information for each customer in a timely manner for the Servicer to fulfill its obligations, as such information is the basis of such remittance, and (iii) the Servicer will be entitled, within seven days after a default by the TPS in remitting any charges payable to the Petitioner, together with Transition Bond Charges and the MTC-Tax, to assume responsibility for billing all charges for services provided by Petitioner or any successor electric public utility, including the Transition Bond Charges and the MTC-Tax, or to transfer responsibility to a qualifying third party. In addition, if and so long as such TPS does not maintain at least a 'BBB' (or the equivalent) long term unsecured credit rating from Moody's Investors Service and Standard & Poor's Rating Services, such TPS shall maintain, with the Servicer or as directed by the Servicer, a cash deposit or alternative credit arrangement in the form of a Guarantee, Irrevocable Letter of Credit or Surety or Performance Bond meeting the requirements therefor contained in Appendix C ("Creditworthiness Standards") of GPU Energy's TPS Agreement, in each case in an amount equal to two months' maximum estimated collections of all charges payable to the Servicer, including the Transition Bond Charges and the MTC-Tax, as reasonably estimated by Petitioner (or any such successor electric public utility or by the Servicer). In the event of a default in the

remittance of any such charges by a TPS, any shortfall in Transition Bond Charge or MTC-Tax collections will be included in the periodic adjustment of the Transition Bond Charge and the MTC-Tax as described herein.

c. Customers will continue to be responsible for payment to the Servicer of the Transition Bond Charge and the MTC-Tax billed by a TPS, to the extent such customer has not paid Transition Bond Charges or MTC-Tax billed to it. In the event of a failure of any customer to pay the Transition Bond Charge or MTC-Tax, the Petitioner is authorized to shut-off power, or a successor Servicer is authorized to direct the electric public utility to shut-off power, to such customer in accordance with law.

Payments made to the utility after the 15-day due-date mark will be assessed late payment charges at a rate of 1.5% per month.

Accordingly, when a consolidated bill is presented, the TPS biller will assume the GPU Energy's receivables pursuant to the foregoing terms and conditions, together with the terms and conditions that follow, which shall be embodied in a written Billing Services Agreement to be executed between the billing and the non-billing party.

2. If the utility is the party supplying consolidated billing, GPU Energy will pay all undisputed Electric Generation Service charges to the TPS by the fifth day from due date noted on the consolidated bill. Effective with the Board Order adopting this Settlement, recovery of GPU Energy's uncollectible expense will be moved out of its delivery charge and into an adjustable rider to be reflected in its Societal Benefits Charge (SBC). The amount to be moved will be the average of the last five years of the FERC 904 account, with an adjustment to the 1999 amount for a one-time system implementation event for GPU Energy. This amount is \$4.92 million. With this change, GPU Energy will remit payment in full to the TPS for its electric charges.

If a customer dispute occurs after said payment, the disputed amount will be subtracted from the next bill payment on behalf of that customer unless the non-billing party provides notification that the dispute is resolved. (Such resolution must occur at least five days before payment due date.)

3. Once GPU Energy begins assuming TPS receivables, the assumed TPS receivables will be treated in the same manner as delivery charges and the GPU Energy collection practices and procedures applicable to delivery charges will apply, including application of late payment fees for non-residential customers and potential disconnection for non-payment. GPU Energy retains the right to present past due charges as due to GPU Energy.
4. Budget Billing: If the non-billing party wishes to offer budget billing, the non-billing party will remit the budget amount in the current charges fields to the

billing party. The billing party will be responsible to the non-billing party only for the budget amount. The non-billing party may send actual charges as informational charges to the billing party for presentation on the bill. The billing party will have no responsibility for maintaining a deferred budget balance on behalf of the non-billing party.

5. A customer is entitled to a consolidated bill once it is deemed creditworthy by the billing party. A customer will be informed that failure to keep its bills current will result in conversion from consolidated billing to dual billing for a minimum period of one year.

At the billing party's discretion, after 60 days of not being current on billed charges, the customer and the non-billing party will be notified that the consolidated bill will not be supplied and that dual bills will commence with the next meter reading date, as long as the next meter reading date is no less than 15 days from the date of said notification.

If a customer is converted from consolidated to dual billing by any party for any reason, both GPU Energy and the TPS will be responsible for their own receivables, effective as of the start of dual billing.

6. Nothing in this Attachment shall either preclude or in any way prejudice the right of any party to take any position regarding utility uncollectibles in the Universal Service proceeding or any future proceeding.

## GPU ENERGY ATTACHMENT E

### COST RECOVERY

- a) All market development costs, as defined in GPU Energy Attachment "C", shall be charged against the \$550,000 settlement amount to be returned to customers, as stipulated in the Settlement Agreement between GPU Energy and BPU Staff dated June 7, 2000 to resolve all issues related to the LEAC Audit and the GR&FT Audit. If it becomes apparent that the \$550,000 is inadequate to absorb the market development costs, the Company reserves the right to file a proposal for a supplemental recovery mechanism with the Board. When TPS consolidated bill credits are no longer in effect, should the overcollected balance exceed the recoveries delineated in this Paragraph, the remaining balance will be applied to costs in Paragraph (b) herein.
  
- b) GPU Energy shall file a verified petition with the Board in order to establish the reasonableness of the following start-up costs not delineated in (a) above, incurred by GPU Energy to initiate the terms of this Settlement: costs incurred to develop consolidated billing under Paragraphs 3, 5 and 6 and upgraded meter access under Paragraph 9, to the extent not otherwise recovered from TPSs. These electric restructuring costs shall be subject to

deferred accounting and, if found reasonable and prudent by the Board, shall be recoverable from all customer classes eligible to obtain electric generation services from State-licensed TPSs via a clause mechanism, on a per customer basis, with interest (calculated according to Paragraph (c) below) from the date such costs are incurred. The Ratepayer Advocate reserves its right to argue, at the time the utility files for recovery of costs referenced in this paragraph, that the costs recovery charges should apply to OTRA and special contract customers.

- c) Deferred costs described in Paragraphs (a) and (b) above will be recovered over no more than a two-year period starting in August 2003. Interest on any such unamortized balance of deferred costs shall be calculated at an interest rate on medium term, single A-rated bonds.

Customer Data Card

The utilities agree to include a one time bill insert to customers, to assist TPSs registered aggregators, and government entities interested in pursuing aggregation in locating and marketing to customers interested in soliciting competitive offers from them, subject to the following:

- The insert shall be a self-explanatory generic response card for customers to complete if they wish to be contacted by licensed TPSs registered aggregators and government entities interested in pursuing aggregation. This response card will require the customer to list their name, address, utility-specific identification number (account number or customer number. Response cards must meet reasonable utility technical requirements
- The card will be developed by a Consortium of licensed TPSs and registered aggregators in cooperation with the Ratepayer Advocate, and will be submitted to the BPU for approval of its contents and to the utilities for consultation on mechanics of the card insert. The Consortium will print sufficient copies of the insert and deliver the insert to the location specified by the utility for insertion in the utility billing envelope.
- The Consortium will manage the data collection and collation process and be responsible for the dissemination of information to licensed TPSs registered aggregators and government entities interested in pursuing aggregation.

## GPU ENERGY ATTACHMENT F

- The Consortium will compile all data from returned cards and create an electronic data set in file format acceptable to the utilities. Upon receipt of this data set, which must include a valid customer number (for GPU), the utilities will respond within 30 days with the following the information being provided to it by the Consortium, and providing the following additional information below for all valid customer data:

- Customer name;
- Customer address;
- Customer Number
- Customer telephone number (if available and listed);
- Customer's rate class;
- Customer's average monthly electric usage;
- In the case of commercial and industrial rate classes, a customer's total annual electric usage and annual average demand.

Information provided will be that which is contained in the utility database, and the utilities make no further warranties regarding the data.

- The Consortium shall be responsible for all costs associated with this process other than the costs incurred by the utility to handle and mail the inserts, and the costs associated with utility collection and distribution of data to the Consortium's agent.

07/10/2000



## GPU ENERGY ATTACHMENT F

- A phone number for the Consortium or its agents shall be clearly identified on the accompanying instructions for the card, so that customers can contact the Consortium or its agents directly regarding any questions or concerns.
- The Consortium or its agents will be responsible for maintaining the customer signatures that are required to allow utilities to release data to the Consortium or its agents, and will hold the utility harmless in this regard.

07/10/2000

## ATLANTIC CITY ELECTRIC COMPANY ATTACHMENT "A"

### Atlantic City Electric Company Consolidated Billing

#### **Consolidated Print Content:**

- Atlantic City Electric Company ("Atlantic") will provide one rolling page for Third Party Supplier ("TPS") data through July 31, 2003. This rolling page for TPS data will begin where the TPS block currently begins.
- Atlantic only has electric service in New Jersey; therefore Atlantic will provide consolidated billing for electric charges only.
- Atlantic will support any text format sent by the TPS. Text sent by the TPS will be converted to the current print format by Atlantic.
- Atlantic will expect a TPS to send all charges and/or text via EDI for each customer account for each bill period.
- Data transmission will be EDI as part of the 810 transaction.
- The EDI 867 is the trigger to start the bill cycle. If no accompanying 810 is received within the 48 hour window, no current TPS charges or text will print on the bill.
- If a TPS misses the bill window, Atlantic will hold the charges for placement on the next bill. A previous bill period's charges will be summarized to one line, as is currently done. Text from a previous bill period will not print.
- If a bill is reprinted, the entire bill will be reprinted. Bill inserts are not included if the reprint occurs outside of the original billing month.
- Standard Conectiv Power Delivery stock will be used.
- This enhanced consolidated billing option will be provided within 120 days from the Board's written Order adopting the Settlement.

#### **TPS Consolidated Billing:**

- The TPS will provide a bill ready consolidated bill and include up to one rolling page at no charge to Atlantic through July 31, 2003 with the Conectiv Power Delivery logo and a place for Atlantic information consistent with the terms and conditions set forth under Atlantic Consolidated Print Content section of this Attachment.
- Atlantic will deliver the appropriate number of copies of all applicable NJAC and Board mandated notices and directives concerning utility customer bill information relating to the utilities' tariffed delivery services, except for services deemed competitive by the Board of Public Utilities, in accordance with a logistical schedule provided by the TPS.
- The TPS will include these inserts in customer bills in accordance with regulatory mandates and requirements.

- For TPSs that provide their customers with bills in electronic form, Atlantic will provide the utility bill inserts to the TPS in an agreed-upon electronic form.
- The TPS will utilize the rate components provided by the utility for all relevant customer classes
- The TPS is responsible for assuring all bill format and content compliance with NJAC and Board-mandated notices and directives concerning utility customer bill information.

**Supplier Logo**

- The logo, if used, will be sent to Atlantic prior to consolidated billing commencing, will be black and white and will be the same for all customers.
- The use of a logo will be included in the TPS's rolling page. This will reduce the space available for billing and message purposes.
- Requirements for the placement of the logo and the procedure to provide Atlantic with the logo have not been finalized. They will be discussed on a TPS by TPS basis. This functionality will be delivered no sooner than April 2001.

# ATLANTIC CITY ELECTRIC COMPANY ATTACHMENT "B"

## Atlantic City Electric Company Bill Insert Service Options

The purpose of this document is to communicate Atlantic's bill insert option specifications. General information:

- Atlantic City Electric Company ("Atlantic") can accommodate approximately 36 New Jersey Third Party Supplier inserts per year during the period from 2001 to 2003. This projected number is based on the schedule of inserts required or anticipated in Delaware, Maryland, New Jersey and Virginia as known on May 1, 2000. Additional requirements or changes to existing requirements by any state, or other changes that impact bill insert operations may require Atlantic to adjust the number of Third Party Supplier inserts that the company can accommodate per year. The suppliers must follow a predetermined schedule created by Atlantic. The number of inserts Atlantic will be able to accommodate per month will vary depending on the total number of required inserts scheduled each month.
- All residential customers of a particular TPS will get their TPS's insert. Only one TPS insert will be included in its customer's bills.
- Atlantic shall have the right to exclude any insert that it deems, in good faith, to be objectionable or in bad taste or that Atlantic believes, in good faith, would be inconsistent with Atlantic's corporate image. Any dispute over Atlantic's exercise of this shall be resolved through binding arbitration before the American Arbitration Association. The allowing of any insert shall not in any way constitute or be considered as an endorsement, adoption, or assertion as to the truth or accuracy, of the contents of such insert by Atlantic.
- This service will be provided to TPSs at a negotiated rate.
- The TPS will provide a copy of each of its proposed bill inserts to Atlantic thirty (30) days prior to the TPSs intended date for inclusion of such bill insert within Atlantic's consolidated bills.

To support efficient processing processing, it is imperative that certain physical characteristics, such as weight and size to conform to the criteria identified below.

### 1.. Process for Scheduling Third Party Supplier (TPS) Inserts:

#### A. TPS Responsibilities

- 1) TPS must notify Atlantic via e-mail of their intent to participate in the NJ TPS insert program. If the TPS has a preference to communicate to customers during a certain month or months, the TPS should indicate this in the request. TPS should also include a unique 5 character code that will be used to identify the insert in all communications, and an estimate of the quantity. The email should be sent to [energy.news@conectiv.com](mailto:energy.news@conectiv.com) and be titled NJ TPS Insert Request.

Atlantic will schedule TPS requests for inserts on a first-come, first-served basis. When space is available during one of the months requested by the TPS, the TPS insert will be scheduled for that month. When space is not available, the TPS insert will be scheduled for the next available month. Atlantic will confirm the final schedule and mailing start date with the TPS via e-mail response. Should a previously unscheduled insert be required as a result of actions taken by any of the public utility commissions which regulate Conectiv Power Delivery after confirmation of the final schedule, which results in the TPS bill insert being dropped from its confirmed scheduled date, the TPS insert will be scheduled for the next available month.

- 2) TPS will supply Atlantic with the following information at least 60 calendar days prior to the scheduled mailing date. The e-mail should be titled "NJ TPS Insert Confirmation" and must include:
  - Identification code (5 character, alpha numeric code)
  - Insert name

## ATLANTIC CITY ELECTRIC COMPANY ATTACHMENT "B"

- Month the insert is scheduled
  - Estimated quantity of inserts to be processed
  - Quantity of inserts that will be delivered
  - Name and Phone Number of TPS Contact Person
  - Any directions for unused inserts
- 3) TPS will deliver inserts to Atlantic on the Friday before the insert is scheduled to begin mailing. If there are less than 50,000 inserts, all inserts should be delivered at the same time. If there are more than 50,000 inserts, multiple partial deliveries may need to be scheduled depending on available storage space.
  - 4) TPS will ensure that inserts are manufactured in accordance with the specifications in this document.
  - 5) TPS will arrange for the manufacturing and delivery of the inserts.
  - 6) TPS will ensure consistency in the insert identification code as it appears on the confirmation response and on the outside of each box of inserts.
  - 7) TPS will provide specific direction for the disposition of unused inserts. If no direction is given when the insert is scheduled, unused inserts will be destroyed.
  - 8) If inserts need to be returned, TPS will be responsible for costs of coordinating removal of inserts from Atlantic property or the property of Atlantic's outside contractor including collection of remaining inserts, scheduling arrangements of shipping and actual shipping costs.

### 2. Insert Production Specifications:

- A. Size Requirements: Each insert should be one panel, front and back.

Height	3.50 in.
Width	7.25 in.
- B. Paper Stock: TPS must ensure that the inserts are manufactured on 60 lb offset or 60 lb matte paper stock. Glossy finish inserts are not acceptable.
- C. Insert Identification Code Printed on Insert:
  - 1) TPS will ensure that an insert identification code is printed on each insert. This 5 digit insert identification code must match the insert identification code that appears on the:
    - E-mail notification of intent to include an insert
    - E-mail confirmation to CPD
  - 2) The insert identification code must appear on the outside of each insert, printed in a 9-point font size.
- D. Insert Identification Code Requirements:
  - 1) Must be a 5 character, unique, alpha/numeric code.
  - 2) TPS must provide the insert identification code to the bill print provider's Insert Coordinator at least 10 days prior to date to be inserted.
  - 3) All inserts with the same insert identification code must be the same size.
- E. Miscellaneous Production Notes
  - 1) Inserts must not have cutouts.

## ATLANTIC CITY ELECTRIC COMPANY ATTACHMENT "B"

- 2) TPS must secure prior approval from CPD to include insert features that deviate from the insert specifications set forth in this document. TPS may be required to provide CPD with a minimum of 1,000 test inserts to be used for production testing. Requests for inserts that deviate from the specifications will be handled on an individual case basis, and must be reviewed each time a deviation is requested. Acceptance of a deviation by the bill print provider must not be interpreted as on-going approval of any deviation to the specifications herein established.
- 3) Appearance/Distinguishing Characteristics: Insert appearance must be unique and easily distinguishable from any other insert provided by the TPS. When inserts similar in appearance are a TPS requirement, every attempt should be made to incorporate a color scheme or unique marking to clearly differentiate one insert from another. TPS must secure prior approval from the bill print provider or any exceptions to the unique appearance requirement. If an exception is approved then the TPS must ensure that the similar inserts are packaged using different color paper banding to clearly distinguish one insert from another.

### 3. Insert Packaging Specifications:

- A. Banding:
  - 1) Paper banding only.
  - 2) Band minimum 4 inch to maximum 4.5 inch bundles.
- B. Bundle Packing in Cartons:
  - 1) Bundles must all face the same direction.
  - 2) Bundles must be placed flat in cartons.
  - 3) Bundles must not be placed on sides or ends.
- C. Carton Weight and Size:
  - Maximum carton weight is 35 lb.
  - Cartons must be the same size for any given insert
- D. Carton Markings:
  - 1) The exterior of the carton must be clearly marked with:
    - The insert identification code
    - The amount of inserts bundled per pack
    - The number of packs contained in the carton
    - The number of cartons per shipment (1 of 5, 2 of 5, etc.)
  - 2) Sample of the insert must be affixed to the outside of each carton.
- E. Pallet Requirements:
  - 1) No pallets are to be double stacked.
  - 2) Size 42" x 42"
  - 3) Maximum pallet height is four (4) feet

### 4. Insert Delivery Requirements:

- A. Delivery Date:
  - TPS will deliver inserts to Atlantic on the Friday before the insert is scheduled to begin mailing.
  - If the total quantity for the month is less than 50,000 inserts, all inserts should be delivered at the same time.

## ATLANTIC CITY ELECTRIC COMPANY ATTACHMENT "B"

- If the total quantity for the month is greater than 50,000 inserts, multiple partial deliveries may need to be scheduled depending on available storage space.

B. Receiving Days/Hours:

- Monday through Friday, 8:00 a.m. to 2:00 p.m.

C. Truck Size:

- No restrictions.

D. Delivery Address:

- Deliveries should be made to the following address:  
ATTN: Claude Forbes  
Conectiv Power Delivery  
Data Center  
500 N. Wakefield Drive  
Newark, DE 19714

E. Delivery Documentation:

- Insert vendor delivery bill of lading must include the number of cartons delivered

### 5. Contingency for Damage:

- Additional Inserts Requirement: TPS will provide Atlantic with additional inserts as a contingency for damaged inserts based on the following schedule:

<u>Quantity Shipped</u>	<u>% Extra Inserts Required</u>
0-100	25%
101-5,000	15%
5,001-10,000	10%
10,001-50,000	7%
50,001-1,000,000	6%
1,000,001 or more	5%

# ATLANTIC CITY ELECTRIC COMPANY ATTACHMENT "C"

## Atlantic City Electric Company

### TPS Consolidated Billing Credits

For Suppliers issuing consolidated customer bills, Atlantic will credit the customers as follows:

- a) For a TPS consolidated bill, in accordance with this settlement, a bill credit of \$1.00 per bill per month, including Sales and Use Tax, will be provided of which \$.54 is a Market Development Fund cost.
- b) If for any reason, Atlantic is required by the Board or requested by a TPS to conduct any related mailing related to utility delivery service, including but not limited to BPU mandated notices, NJAC requirements, or other regulatory requirements as delineated in Paragraph 6, the customer credit will be \$.50 per bill for each time the Board orders the utility to make such a mailing, of which \$.44 will be considered a Market Development Fund cost. Atlantic agrees in all such instances to request that the Board permit the billing TPS to make the required mailing.



Atlantic City Electric Company  
Terms and Conditions of Receivables

When a consolidated bill is presented, the billing party will assume the non-billing party's Receivables pursuant to the following terms; these terms which shall be embodied in a written contract to be executed between the billing and non-billing party:

1. Upon issuance of a BPU Order concerning Atlantic's securitization of stranded costs, appropriate language from that order shall be included in all agreements between the TPS and Atlantic. Appropriate provisions include the following:

Any TPS that proposes to collect Transition Bond Charges or the MTC-Tax must (i) meet the creditworthiness criteria to be established by the BPU, and (ii) comply with the billing, collection and remittance procedures and information access requirements set forth below.

A TPS will only be authorized to bill and collect the Transition Bond Charge or the MTC-Tax for remittance to the Servicer or the utility respectively, if (i) such TPS agrees to remit the full amount of all charges it bills to customers for services provided by the utility or any successor electric public utility, together with Transition Bond Charges and the MTC-Tax, regardless of whether payments are received from such customers, within 15 days of utility's or the Servicer's bill for such charges, (ii) such TPS will provide the Servicer with total monthly kwh usage information for each customer in a timely manner for the Servicer to fulfill its obligations, as such information is the basis of such remittance, and (iii) the Servicer will be entitled, within seven days after a default by the TPS in remitting any charges payable to the Utility, together with Transition Bond Charges and the MTC-Tax, to assume responsibility for billing all charges for services provided by Utility or any successor electric public utility, including the Transition Bond Charges and the MTC-Tax, or to transfer responsibility to a qualifying third party. In addition, if and so long as such TPS does not maintain at least a 'BBB' (or the equivalent) long term unsecured credit rating from Moody's Investors Service or Standard & Poor's Rating Services, such TPS shall maintain, with the Servicer or as directed by the Servicer, a cash deposit or comparable security equal to two months' maximum estimated collections of all charges payable to the Servicer, including the Transition Bond Charges and the MTC-Tax, as reasonably estimated by Utility (or any such successor electric public utility or by the Servicer). In the event of a default in the remittance of any such charges by a TPS, any shortfall in Transition Bond Charge or MTC-Tax collections will be included in the periodic adjustment of the Transition Bond Charge and the MTC-Tax as described herein.

Customers will continue to be responsible for payment to the Servicer of the Transition Bond Charge and the MTC-Tax billed by a TPS, to the extent such customer has not paid Transition Bond Charges or MTC-Tax billed to it. In

## ATLANTIC CITY ELECTRIC COMPANY ATTACHMENT "D"

the event of a failure of any customer to pay the Transition Bond Charge or MTC-Tax, the Utility is authorized to shut-off power, or a successor Servicer is authorized to direct the electric public utility to shut-off power, to such customer in accordance with law.

The following alternatives are examples of acceptable vehicles deemed to satisfy the "or comparable security equal to two..." requirement noted above:

- (a) A guarantee of payment, satisfactory in form and substance to Atlantic, from a Guarantor deemed to be credit worthy by Atlantic.
- (b) An irrevocable letter of Credit, satisfactory in form and substance to Atlantic, issued by a bank or other financial institution that is acceptable by Atlantic.
- (c) A Surety or Performance Bond, including Atlantic as a beneficiary, satisfactory in form and substance to Atlantic, and enforceable in the event of bankruptcy.

Payments made to the utility after the 15-day due-date mark will be assessed late payment charges at a rate of 1.5% per month.

Accordingly, when a consolidated bill is presented, the TPS biller will assume Atlantic's receivables pursuant to the foregoing terms and conditions, together with the terms and conditions that follow, which shall be embodied in a written Billing Services Agreement to be executed between the billing and the non-billing party.

2. If the Utility is the party supplying consolidated billing, Atlantic will pay all undisputed charges to the TPS by the 5th day from due date noted on the consolidated bill.

If the customer dispute occurs after said payment, the disputed amount will be subtracted from the next bill payment on behalf of that customer unless non-billing party notification that the dispute is resolved (needs to occur at least five days before payment due date).

3. A customer is entitled to a consolidated bill once it is deemed credit worthy by the billing party. A customer will be informed that failure to keep their bills current will result in conversion from consolidated billing to dual billing for a period of one year.

At billing party's discretion, when the customer has a non-billing party balance 60 days after the issuance of the customer bill, the customer will be considered delinquent. The customer and the non-billing party will be notified that the consolidated bill will not be supplied and that dual bills will commence with the next meter reading date, as long as the next meter reading date is no less than 15 days from the date of said notification.

## ATLANTIC CITY ELECTRIC COMPANY ATTACHMENT "D"

If a customer is converted from consolidated to dual billing by any party for any reason, both Atlantic and the TPS will be responsible for its own receivables, effective as of the start of dual billing.

4. The billing party will inform the non-billing party when the charges appear on the bill. The billing party will inform the non-billing party of the amount of the charges, the outstanding non-billing party balance (after billing), and the bill due date. This will be done utilizing a positive 824 transaction, which shall be functional no later than February 1, 2001.
5. Once Atlantic implements assuming receivables, the assumed TPS receivables will be treated in the same manner as delivery charges and the Atlantic collection practices and procedures applicable to delivery charges will apply, including application of late payment fees for non-residential customers and potentially disconnection for non-payment, and recovery of uncollectible amounts. Atlantic retains the right to present past due charges as due to Atlantic.
6. Budget Billing: If the non-billing party wishes to offer budget billing, the non-billing party will remit the budget amount in the current charges fields to the billing party. The billing party will make the non-billing party whole on the budget amount. The non-billing party may send actual charges as informational charges to the billing party for presentation on the bill. The billing party will have no responsibility for maintaining a deferred budget balance on behalf of the non-billing party.
7. Nothing in this Attachment shall either preclude or in any way prejudice the right of any party to take any position regarding utility uncollectibles in the Universal Service proceeding or any future proceeding.

## ATLANTIC CITY ELECTRIC COMPANY ATTACHMENT "E"

### COST RECOVERY

- a) All Market Development Fund Costs, as defined in Atlantic City Electric Company (Atlantic) Attachment "C", shall be charged against the \$1.2 million of over-collected Gross Receipts and Franchise Tax addressed in the Board Order of June 7, 2000 in docket No. EA00050299. If it becomes apparent that the \$1.2 million is inadequate to absorb the Market Development Fund costs, the Company reserves the right to file a proposal for a supplemental recovery mechanism with the Board. When TPS consolidated bill credits are no longer in effect, should the over-collected balance exceed the recoveries delineated in this Paragraph, the remaining balance shall be applied to costs in Paragraph (b) herein.
  
- b) Atlantic shall file a verified petition with the Board in order to establish the reasonableness of the following start-up costs not delineated in (a) above, incurred by Atlantic to initiate the terms of this Settlement: costs incurred to develop consolidated billing pursuant to Paragraphs 3, 5 and 6 and upgraded meter access pursuant to Paragraph 9, to the extent not otherwise recovered from TPSs. These electric restructuring costs shall be subject to deferred accounting and recoverable from all customer classes eligible to

obtain electric generation services from State-licensed TPSs. The Ratepayer Advocate reserves its right to argue, at the time the utility files for recovery of costs referenced in this paragraph, that the cost recovery charges should apply to OTRA and special contract customers. All costs found to be reasonable by the Board shall be recovered by Atlantic via a clause mechanism, on a per customer basis, with interest from the date costs are incurred, calculated pursuant to Paragraph (c).

- c) Deferred costs described in Paragraphs (a) and (b) above will be recovered over no more than a two-year period starting in August 1, 2003. Return on such deferred costs shall be calculated at a rate equal to the Company's then-current cost of medium term debt.
  
- d) The recovery mechanisms defined herein, shall, at Atlantic's option, be available to Atlantic in addition to, and not a replacement of, any recovery mechanism which may otherwise be available to Atlantic.

Customer Data Card

The utilities agree to include a one time bill insert to customers, to assist TPSs, registered aggregators and government entities in locating and marketing to customers interested in soliciting competitive offers from them, subject to the following:

- The insert shall be a self-explanatory generic response card for customers to complete if they wish to be contacted by licensed TPSs, registered aggregators and government entities interested in pursuing aggregation. This response card will require the customer to list their name, address, and utility-specific identification number (account number or customer number). Response cards must meet reasonable utility technical requirements
- The card will be developed by a Consortium of licensed TPSs and registered aggregators in cooperation with the Ratepayer Advocate, and will be submitted to the BPU for approval of its contents and to the utilities for consultation on the mechanics of the card insert. The Consortium will print sufficient copies of the insert and deliver the insert to the location specified by the utility for insertion in the utility billing envelope.
- The Consortium will manage the data collection and collation process and be responsible for the dissemination of information to licensed TPSs, registered aggregators and government entities interested in pursuing aggregation.
- The Consortium will compile all data from returned cards and create an electronic data set in file format acceptable to the utilities. Upon receipt of this data set,

## ATLANTIC CITY ELECTRIC COMPANY ATTACHMENT F

which must include a valid customer number or customer account number, the utilities will respond within 30 days with the additional information below for all valid customer data:

- Customer name;
- Customer address;
- Customer account number;
- Customer telephone number (if available and listed);
- Customer's rate class;
- Customer's average monthly electric usage;
- In the case of commercial and industrial rate classes, a customer's total annual electric usage and annual average demand.

Information provided will be that which is contained in the utility database, and the utilities make no further warranties regarding the data.

- The Consortium shall be responsible for all costs associated with this process other than the costs incurred by the utility to handle and mail the inserts, and the costs associated with utility collection and distribution of data to the Consortium's agent.
- A phone number for the Consortium or its agents shall be clearly identified on the accompanying instructions for the card, so that customers can contact the Consortium or its agents directly regarding any questions or concerns.

## ATLANTIC CITY ELECTRIC COMPANY ATTACHMENT F

- The Consortium or its agents will be responsible for maintaining the customer signatures that are required to allow utilities to release data to the Consortium or its agents, and will hold the utility harmless in this regard.



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