

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

Last update 03/1/2022



Purpose of Presentation

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

How to become a Supplier

- Becoming a New Jersey Third Party Supplier with PSE&G
 - Obtain License from NJBPU
 - Execute appropriate PJM certifications and agreements
 - Submit a Third Party Supplier Application
 - Execute the Confidentiality Agreement
 - Submit a Billing Services Agreement (if doing consolidated billing)
 - Satisfy PSE&G's Credit Requirements
 - Execute the Third Party Supplier Agreement
 - Confirm "Contract" established in PJM e-Schedules
 - Submit an electronic copy of the EDI survey and your PGP keys. (Must be EDI capable)



Third Party Supplier Support

(TPSS)

Third Party Supplier Support

➤ Business Relationship

- Responsible for the flawless execution of retail choice changes in PSE&G service territory
- Addressing all questions and issues that arise between PSE&G and third party suppliers
- Communicating the latest retail choice information to suppliers through personal contact, e-mail, telephone and our website, etc.

Third Party Supplier Support

➤ Website –

- Information you need is on our website; check there first before calling TPSS

<https://nj.myaccount.pseg.com/myservicepublic/energychoiceandthirdpartysuppliers/thirdpartysuppliers>

TPS Problem Resolution

- If you don't know who to call, call TPSS and we will find the answer or have a subject matter expert answer your question

Third Party Supplier Support

TPSS Contact Information

Phone 1-800-664-4761 Option 1

Or

Email – TPSupplier@pseg.com

NO CUSTOMER CALLS PLEASE



Third Party Supplier Support

➤ Organizational Structure

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

Third Party Supplier Support

- Examples of TPSS Interactions
 - Customer billing and usage issues
 - Measurement services
 - Remittance inquiries
 - EDI testing
 - Tariff interpretation/implementation
 - TPS training and coordination
 - Operating Manual updates
 - Dispute resolution

Third Party Supplier Support

- TPS Electric Operating Manual
 - Includes description of business and technical processes and is available on <https://nj.myaccount.pseg.com/myservicepublic/energychoiceandthirdpartysuppliers/-/media/174384e5a41f40fd9bdd3bfe45420db9.ashx>
 - TPSS is responsible for updates to the Electric Operating Manual and updates will be available on the website

Third Party Supplier Support

- Tariff Standard Terms and Conditions
 - Defines relationship between PSE&G and Customer
 - ◆ Available on: <https://nj.pseg.com/aboutpseg/regulatorypage/-/media/64E01807464143D6970E1D0C79B2437B.ashx>
 - ◆ TPS should be familiar with section 14 and 15 as it contains Third Party Supplier information
 - Sets pricing for PSE&G charges to customers
 - ◆ Special Provisions
 - Discontinuance of service policy

Electronic Data Interchange

Electronic Data Interchange

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

Electronic Data Interchange

- What is EDI?
 - Electronic Data Interchange is the computer-to-computer exchange of business documents in standard, machine-readable (ANSI X12) format
- Why EDI?
 - To standardize the transfer of great numbers of documents, and to assure the accuracy of information
- EDI maps are on the NJBPU website:
<http://www.state.nj.us/bpu/about/divisions/energy/edi.html>

Electronic Data Interchange

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

Electronic Data Interchange

➤ EDI Technical Requirements

- EDI documents are maintained on the NJBPU website:
<https://www.state.nj.us/bpu/about/divisions/energy/edi.html>
Translate data into ANSI X12 Standards
- Must be able to transmit and receive these documents electronically using GISB Internet Transport Protocol to PSE&G's EDI vendor
- Must be able to acknowledge receipt of documents with a Functional Acknowledgement
- Develop maps using the NJBPU approved guidelines
- Complete testing to demonstrate EDI capabilities and connectivity



Electronic Data Interchange

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



Electronic Data Interchange

➤ Documents

- GISB - Connectivity between PSE&G and the TPS
- 814 - Information pertinent to account
 - ◆ Enrollment, Change, or Drop
 - ◆ Reinstatement
 - ◆ Notification of possible switch to dual billing
 - ◆ Advance notice to drop/switch billing options
- 867 - Usage information
 - ◆ Monthly and historical usage
- 810 - Invoice from supplier for customer charges
- 820 - Payment information to suppliers
- 824 – Advice notification to suppliers
- ACH - Payments forwarded to TPS's bank

(810, 820, 824, and ACH applicable to TPS's participating in **consolidated billing only**)



Electronic Data Interchange

➤ 810 Invoice Validation

- Our customer bill will show supplier's current charge, adjustment and total charge

- ◆ Example:

Current charge = \$50.00

Adjustment = -\$10.00

Total Charge = \$40.00

- Sales tax should be included in the TPS rate
- The current charge and adjustment must equal the total charge or the 810 invoice will be rejected.

Electronic Data Interchange

- 810 Validation (continued)
 - The first accepted invoice closes the bill window
 - Negative amounts are accepted
 - PSE&G only accepts code ADJ000 for adjustments
 - EDI 810 may contain only one adjustment
 - EDI 810 with multiple adjustments will be rejected
 - Adjustment must be resubmitted if the payment for the 810 invoice in which the adjustment was included is reversed (PSE&G does not hold any charges.)

Electronic Data Interchange

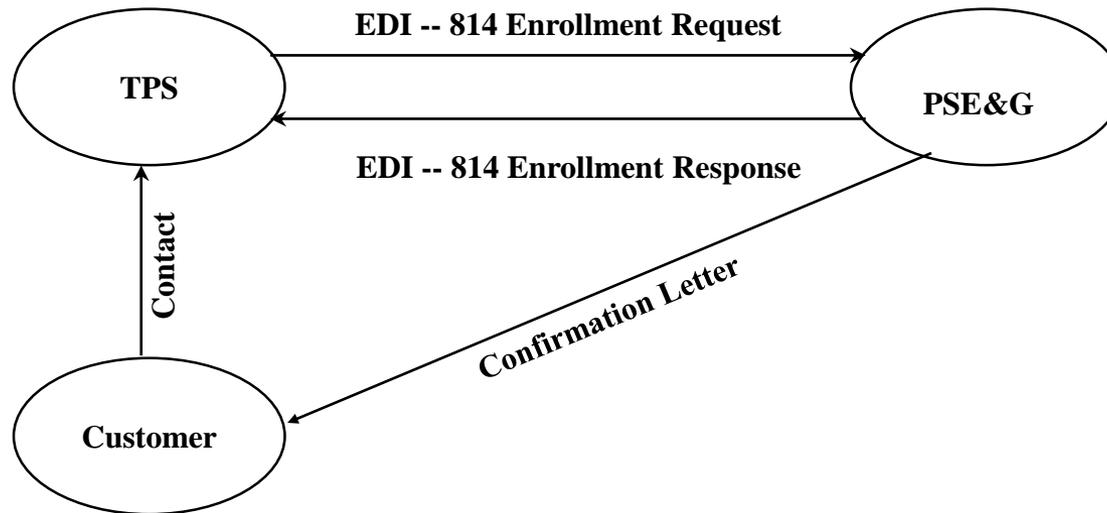
➤ 810 Invoice

- If rejected, suppliers can resubmit a correct 810 within the bill window.
- If the TPS misses the bill window, the TPS should submit the missed charges during the next open bill window as an adjustment charge along with their current charges in the same EDI 810 invoice. There must be a current charge line even if the amount is \$0. The service period start and end dates in the EDI 810 invoice must match the new usage file.

Electronic Data Interchange

EDI Enrollment Flow (example)

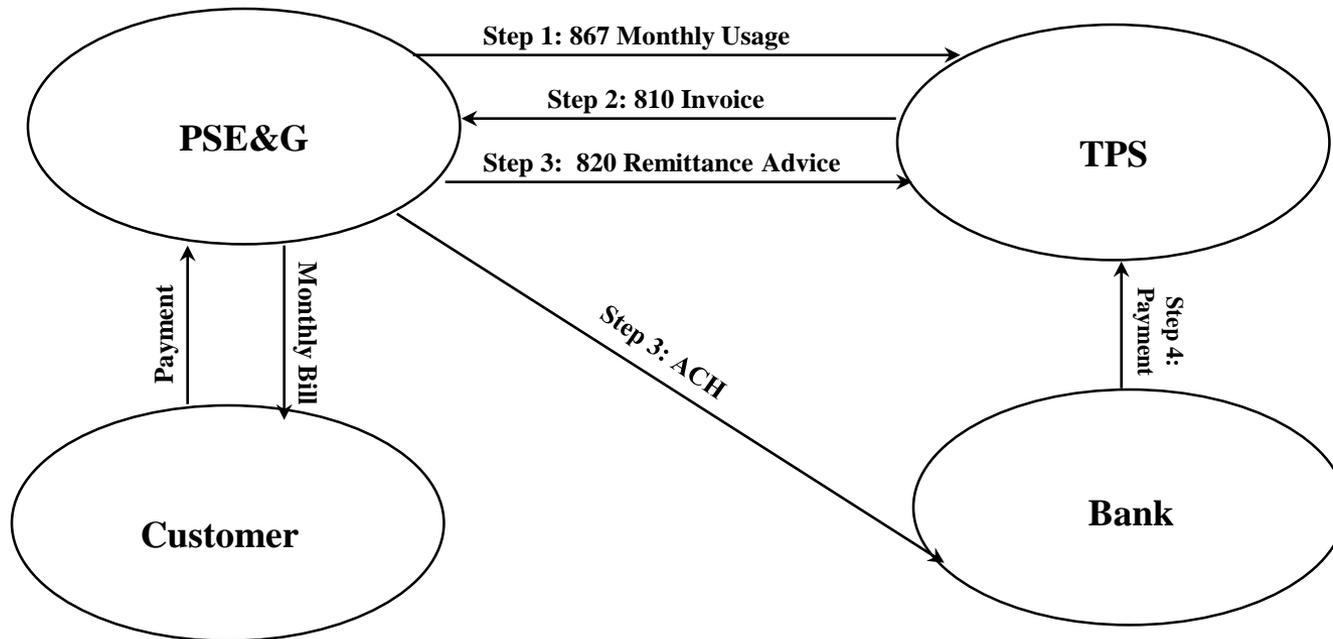
Scenario: Customer Contacts TPS to Initiate TPS Selection



Electronic Data Interchange

Invoice to Payment Process Data Flow

Advanced Clearinghouse (ACH) Transaction



SCHEDULE – EDI TRANSACTIONS

➤ Inbound Transactions

814s (Enrollments, Changes, Drops, HU) – Last pickup is approximately 5:00 pm EST Monday through Sunday. Transactions received after 5:00 pm EST will be considered the next business day.

810s (Invoices) – Last pickup is approximately 2:30 pm EST Monday through Friday. Transactions received after 2:30 pm EST will be considered the next business day.

➤ Outbound Transactions

Non-867 transactions (814s, 820s, 824s) – Suppliers can expect to begin receiving transactions around 5am EST and 12 noon EST

867 (Usage) – Suppliers can expect to begin receiving transactions around 6 pm EST Monday through Friday.

This information is provided as a guide only and is subject to change!



Customer Activation/Enrollment

Customer Activation/Enrollment

- PSE&G does not provide eligible customer lists
- PSE&G does not provide TPS with sync lists
- PSE&G does not maintain a DNC (Do not call) list

Customer Activation/Enrollment

➤ Enrollment Package

- Customer requests enrollment package by calling 1-800-436-PSEG (7734)
- Enrollment package includes:
 - ◆ Choice Brochure
 - ◆ 12 months usage data
 - Capacity and Transmission Obligations
 - PSE&G account number
 - Electric meter number
 - Billing rate
 - Meter reading cycle

Customer Activation/Enrollment

- Enrollment Package (continued)
 - Enrollment Package includes:
 - ◆ NJBPU approved Electric Third Party Supplier list (updated quarterly)

Customer Enrollment or Switch

- Electric PODids begin with PE
- A TPS can enroll one service or PODid at a time
- The customer may have an account with multiple electric PODids
- Suppliers can choose the service they want to serve
- Only one active supplier per service or PODid

Customer Activation/Enrollment

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

Customer Activation/Enrollment

➤ Enrollment/Switching Process

- Enrollments based on last-in rule (most recent contract date and time on EDI enrollment request win)
- Enrollment must be received at least 13 days prior to the current month's meter reading date
- Enrollment effective date occurs on a meter reading date (plus one day)
- Residential customers have 7 days from the date on the PSE&G confirmation letter to rescind enrollment
- Drop notification will be sent to the active supplier if the customer's account is closed for any reason

Customer Activation/Enrollment

➤ Activation

- Steps required to enroll customers
 - ◆ NJBPU approved contract with customer is maintained by the Third Party Supplier
 - ◆ EDI 814 Enrollment request sent to PSE&G
 - ◆ Enrollment request must include valid customer's PODid and the selected billing option (dual or consolidated)
- Validation
 - ◆ If the PODid matches, EDI confirmation will be sent to the supplier and confirmation letter sent to the customer
 - ◆ If no match, enrollment request will be rejected
 - ◆ If customer does not pass creditworthiness for consolidated billing the 814 enrollment will reject and supplier may opt to resubmit as dual billing.



Customer Activation/Enrollment

➤ Activation

■ Validation (continued)

- ◆ If customer's balance is over 60 days old the enrollment response acceptance will contain field AMT*PJ indicating the number days of arrearage
- ◆ If customer has a net meter the field REF*KY*NETMETER will appear in the enrollment response acceptance.

Customer Activation/Enrollment

- Consolidated Billing Creditworthiness
 - Customers are qualified to enroll in the Consolidated Billing Option as long as they have a balance of less than 120 days old
 - Customers who have previously been switched or dropped to the Dual Billing Option due to arrearages can still enroll under the Consolidated Billing Option as long as they have a balance of less than 60 days old

Customer Activation/Enrollment

➤ Customer Drops TPS

- Customers who call after the rescind period to return to PSE&G Basic Generation Service (BGS) will first be asked to call the TPS to drop the account
- At the Customer's request PSE&G may return the Customer to PSE&G's BGS supply
 - ◆ PSE&G sends an EDI drop request transaction to the supplier and a confirmation letter is mailed to the customer
 - ◆ The drop will become effective on the next scheduled meter reading date after a 13 day wait



Customer Activation/Enrollment

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

Net-Meter Accounts

Net-Meter accounts

➤ EDI 867HU

- EDI 867HU response will have the field REF*KY*NETMETER to identify net meter accounts
- 867HU will have the NET usage and the IN (consumption) usage. If the customer generates more usage than consumed through the meter then NET usage will be reported as 0.

➤ EDI 814E

- EDI 814 Enrollment response will have the field REF*KY*NETMETER to identify net meter accounts

Net-Meter accounts

➤ EDI 814C

- REF*KY*NETMETER is populated on 814C transactions. REF*TD field will be the following:
 - ❖ Change from net meter to net meter - REF*TD*REFKY*A
 - ❖ Change from regular meter to net meter -REF*TD*REFKY*A
 - ❖ Change from net meter to regular meter -REF*TD*REFKY*D

Note: “A” indicates net meter has been added

“D” indicates net meter has been removed



Net-Meter accounts

➤ EDI 867MU

- **PM (detail) loop:**

- ❖ contains IN (consumption) usage which is identified with QD (actual) and KA (estimate)
- ❖ Contains OUT (generation) usage which is identified with 87 (actual) and 9H (estimate)

- **SU (summary) loop:**

- ❖ contains NET usage which is identified with QD (actual) and KA (estimate) when consumption is greater than generation.
- ❖ contains NET usage which is identified with 87 (actual) and 9H (estimate) when generation is greater than consumption

Net-Meter accounts

➤ EDI 867MU

- **BB (billed) loop:**
 - ❖ Contains billable usage for the start and end dates in the 867MU transaction. **NOTE** – this may not be the actual usage billed to the customer due to excess generation in previous months.
 - ❖ If the generation is greater than consumption for the start and end dates in the 867MU, the value will be reported as zero

Net-Meter accounts

➤ EDI 867IU

- **PM (detail) loop:**

- ❖ First PM loop contains IN (consumption) usage which is identified with QD (actual) and KA (estimate) for each hour
- ❖ Second PM loop contains OUT (generation) usage which is identified with 87 (actual) and 9H (estimate) for each hour

- **BO (summary) loop:**

- ❖ contains aggregated IN usage which is identified with QD (actual) and KA (estimate) when consumption is greater than generation.
- ❖ contains aggregated OUT usage which is identified with 87 (actual) and 9H (estimate) when generation is greater than consumption

Net-Meter accounts

➤ EDI 867IU

- **BB (billed) loop:**
 - ❖ Contains billable usage for the start and end dates in the 867IU transaction. **NOTE** – this may not be the actual usage billed to the customer due to excess generation in previous months.
 - ❖ If the generation is greater than consumption for the start and end dates in the 867IU, the value will be reported as zero

Net-Meter accounts

➤ General Information

- The net meter annual period will begin the month the customer is enrolled with a third party supplier.
- The customer has an once in a lifetime option to change the anniversary month. If the customer chooses to exercise this option, we will notify the supplier via e-mail.
- The supplier shall carry over excess KWH generated from monthly billing period to monthly billing period until the end of annualized period.
- The supplier is responsible to true-up any excess KWH generated at the end of the annual period or at the time of drop, whichever comes first.
- True-up should be compensated at the supplier's avoided cost of wholesale power.

Net-Meter accounts

- How to bill a net meter customer
- Scenario 1 – IN usage always greater than OUT usage
 - if the IN usage is always greater than the OUT usage then supplier should bill the usage in the BB loop of the usage transaction.

Net-Meter accounts

- How to bill a net meter customer
- Scenario 2 – IN usage is not always greater than OUT usage
 - First month:
 - ◆ if the IN usage is greater than the OUT usage then supplier should bill the usage in the BB loop of the usage transaction.
 - Second month:
 1. if the IN usage is greater than the OUT usage then supplier should continue to bill the usage in the BB loop of the usage transaction.
 2. If the OUT usage is greater than the IN usage then the supplier should bill the customer 0 KWH and separately maintain the excess KWH generated.

Net-Meter accounts

➤ How to bill a net meter customer

- Third month :
 - ◆ if second month was scenario 2 and in third month the IN usage is greater than the OUT usage then supplier should apply the excess KWH to the usage in the BB loop of the usage transaction. This will provide the supplier with the new billable KWH value.

	IN	OUT	NET	Cumulative	Billable KWH
Month 1	1000	900	100	0	100
Month 2	1000	1500	-500	-500	0
Month 3	1700	800	900	0	400

Note: Each month, supplier will have to apply the cumulative credits (excess) until exhausted.

Net-Meter accounts

➤ Additional Resources for Net Metering

- <http://www.njcleanenergy.com/renewable-energy/program-updates-and-background-information/solar-transition/solar-market-faqs>
- PSE&G Electric Tariff: section 15 includes information regarding net metering: <https://pseg.com/family/pseandg/tariffs/electric/index.jsp>
- N.J.AC. 14:8-4.3

PSE&G Consolidated Bill



PSE&G Consolidated Bill

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

PSE&G Consolidated Bill

➤ PSE&G is BILL READY

- PSE&G will provide TPS with monthly or hourly customer usage information via EDI
- Within 48 hours, TPS provides PSE&G with calculated energy charges in an 810 invoice
- PSE&G will include these charges on the LDC bill
- Do not send PSE&G non energy related charges such as Early Termination Fees
- If the TPS charges are not received within 48 hours, TPS charge area will be filed with **“Supplier data not available”**. TPS charge must be resubmitted as an adjustment along with current charges in the same EDI 810 during the next or a subsequent billing cycle.
- PSE&G will not print additional bills due to this situation



PSE&G Consolidated Bill

- A TPS is required to send residential kWh and unit price via the rolling text page (EDI 810 PID segment)
- PSE&G bill-ready consolidated bill will include up to one rolling TPS page at no charge to the TPS
- PSE&G will assume TPS receivables if the customer qualifies for Consolidated Billing
- PSE&G will not assume any prior outstanding TPS balances which are the responsibility of the TPS
- Suppliers will be notified via EDI (824 transaction) if their charges missed the 48-hour billing window



PSE&G Consolidated Bill

➤ Consolidated Bill

- Included, at a minimum, will be the TPS's name, telephone number, current charges, adjustment, total charges and rolling page information (kWh, unit price, message)
- With PSE&G's agreement, the TPS's logo can be included provided it meets requirements
- The TPS will have the option of including additional information on the rolling page. There will be a maximum of 50 lines available with a 60 character limit for each line. These lines will print after the basic 810 invoice data.

PSE&G Consolidated Bill

➤ Rolling Page

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

PSE&G Consolidated Bill

➤ TPS's Logo

- What are the conditions to have a TPS logo printed on the PSE&G bill?
 - ◆ The logo must be provided to PSE&G in advance to enable sufficient time for testing and implementation
 - ◆ The logo must be provided in JPEG and TIF format

PSE&G Consolidated Bill

➤ TPS's Logo

- What are the conditions to have a TPS logo printed on the PSE&G bill?
 - ◆ The dimensions for the logo cannot exceed:
 - Width: **1.17 inches**
 - Length: **.68 inches**
 - ◆ The logo will be printed in black and white
 - ◆ The logo will be the same for all customers



PSE&G Consolidated Bill

➤ Bill Inserts

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

Consolidated Billing

Switch (“Drop”) to Dual Billing

Creditworthiness – Switch “Drop” to Dual

- A customer is entitled to receive a consolidated bill if the billing party determines that the customer is creditworthy (see Enrollment slides)
- PSE&G will inform the customer on the enrollment letter that failure to pay bills on time will result in being switched from consolidated billing to dual billing
- Suppliers will be informed via EDI (814ND) when a customer has an open balance of 75 days or more (45 days notice to suppliers)
- The customer will be switched “dropped” from consolidated billing to dual billing when their balance reaches 120 days or more

Creditworthiness – Switch “Drop” to Dual

- The supplier will be informed via EDI (814C) of the switch “drop” to dual billing
- The customer will be informed via letter of the switch “drop” to dual billing
- The switch date to dual billing will begin on the following scheduled meter reading date (plus one day)
- PSE&G will be responsible for all consolidated billing charges up to the switch “drop” date to dual billing
- The supplier will be responsible to collect charges after the effective switch “drop” to dual date
- Customers can return to consolidated billing as long as their open balances are less than 60 days old

Account Receivables

PSE&G Remittance

- If PSE&G provides consolidated billing service, PSE&G shall remit to the TPS all undisputed TPS energy charges by the 20th day from the accepted EDI invoice
- PSE&G shall make payments of funds to the TPS by ACH to the bank designated by the TPS found on the TPS Application sent to PSE&G's, Energy Supply Administration Group

Disputed Charges

➤ Customer Billing Disputes

- Once PSE&G receives a customer billing dispute, the TPS will be provided with a minimum of one week to contact the customer to resolve the billing dispute. Additional time may be granted if required on a case by case basis.
- PSE&G will notify the TPS through email of the customer billing dispute. If the billing dispute is not resolved PSE&G will manually process a credit to the customer's account and a debit to a future 820 ACH payment for the TPS.
- For gas accounts this adjustment will not appear as an AJ for the PODid in the line detail of the 820 payment file due to the gas discount. A supplemental Microsoft Excel spreadsheet will be emailed to the TPS notifying them of the adjustment.

Disputed Charges

➤ Customer Billing Disputes (continued)

- If the TPS plans to send a refund check to the customer then the TPS would have to communicate to PSE&G that a check for a specific amount will be sent to the customer within a specific timeframe as the resolution. If the customer contacts PSE&G again for the same billing dispute after the specific timeframe PSE&G will proceed with the reversal.
- PSE&G will pay to the TPS all undisputed charges. Once a disputed amount is deducted from a future 820 payment file, it is rarely reversed.

Measurement – Usage Data

Measurement – Usage Data

- Existing types of meters
 - Watthour (includes bi-directional)
 - Demand Register
 - Time of Day
 - Interval

Measurement

➤ Net-Metering Set Up

- A Bi-Directional Meter (Digital) measures the IN (consumed) and OUT (generated) kilowatt hour usage on a monthly basis
- An Interval Device Recorder measures the IN and OUT kilowatt hour usage separately on an hourly basis

Measurement – Usage Data

Rates with Interval Meters

- HTS
- LPLP
- Some LPLS (Some - based on customer's capacity load – See Electric Tariff)

Measurement – Usage Data

➤ Interval Data Options

- A TPS will receive hourly interval data soon after the monthly meter reading date for their interval metered customers
- Data will be sent via EDI (867)
- Suppliers can request hourly historical data via email at no charge
- Suppliers must maintain Letter of Authorization with customer approval

Measurement – Usage Data

➤ Historical Usage Requests

- Monthly historical usage will be sent in all Customer Enrollment Packages (paper copy). Up to 12 months of data will be provided.
- A TPS can request monthly historical usage for a customer via EDI 814HU. Up to 15 months of usage will be provided.
- TPS that are not EDI certified can email a signed authorization form to IntervalUsage@pseg.com. (Note: This email is for interval and non-interval usage requests.)

Measurement – Usage Data

- Historical Usage Requests
 - Historical interval data requests
 - ◆ PSE&G will provide historical interval data via email to a TPS request. It is the supplier's responsibility to obtain written consent from the customer.
 - ◆ Up to 24 months of data will be provided for each meter

Load Profiles and Capacity Obligations

Load Profiles

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

Capacity Transmission Obligation

- Consistent with PJM zonal obligation
- Transmission Load Obligation
- Information on website:
<https://nj.myaccount.pseg.com/myservicepublic/energychoiceandthirdpartysuppliers/energychoicedocuments>
- Types of customers
 - Customers without demand meters
 - Customers with demand meters but without hourly interval meters
 - Customers with hourly interval meters

Capacity Transmission Obligation

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

Active Load Management

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

Energy Supply Acquisition and Operations

(ESA&O)

Energy Supply Acquisition and Operations

- Responsibilities
 - TPS enrollment and accreditation
 - Capacity and Transmission Obligations
 - Load estimation/scheduling
 - Settlement/reconciliation
 - TPS invoicing/payments
- Energy Settlement
 - Phone: 973-430-8055
 - Email: settlements@pseg.com

Energy Supply Acquisition and Operations

➤ Creditworthiness

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



Energy Supply Acquisition and Operations

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

Energy Supply Acquisition and Operations

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

Energy Supply Acquisition and Operations

➤ Settlement and Reconciliation

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

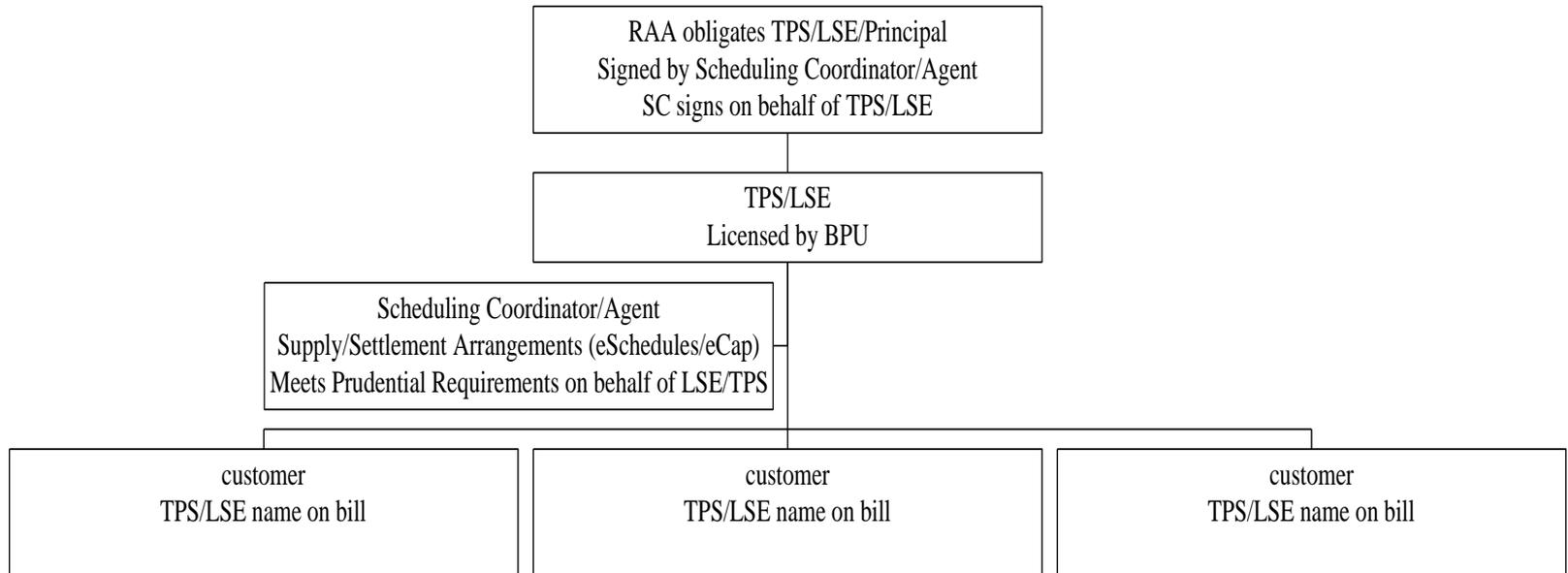
Energy Supply Acquisition and Operations

➤ Scheduling Coordinators

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

Energy Supply Acquisition and Operations

Scheduling Coordinator Model



Energy Supply Acquisition and Operations

➤ TPS Invoicing/Payments

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

Energy Supply Acquisition and Operations

➤ Dispute Resolution

- TPS to notify ESA&O Manager –Energy Supply Admin in writing, within 20 days from the due date of the invoice of any TPS billing disputes
- All disputes will be addressed promptly and in accordance with the provisions in the TPS Agreement

The End

Thank You

