



## **Consolidated Billing Service**

Central Hudson (CH) offers to all approved electric and gas suppliers (ESCOs) the capability to have their supply charges displayed on the CH bill. This program is referred to “consolidated” or “single” billing. This document describes the program. Additional information is available in the forms and agreements that are completed as part of the application process, as well as in CH’s tariffs including the Uniform Business Practices.

### **Requirements**

In order to qualify to use the consolidated billing service, the supplier must:

- 1) Meet all of the CH requirements to become an approved supplier
  - ▶ A checklist containing these requirements can be found at the CH website. The processing of the ESCO application and the single bill service agreement (described below) can occur simultaneously.
- 2) Execute a Billing Services Agreement (BSA) with CH
  - ▶ The BSA is a contract between the ESCO and CH, and it describes the services to be provided by CH as well as the obligations of each party.
- 3) Complete EDI Phase III testing for the single bill transaction set
  - ▶ Testing for these transactions can be performed along with the EDI testing for the standard Phase III transactions
- 4) Provide an affidavit regarding the pledging of receivables
- 5) Provide banking instructions for the deposit of payments from CH
  - ▶ Additional information and forms for items 4) and 5) above are found at the CH website.

### **General Program Description**

The single bill service is based on the rate ready billing model. It incorporates the purchase of receivables (POR) from the ESCO, without recourse to the ESCO for amounts unpaid by customers. The POR is performed twice monthly, and funds due to the ESCO are wired (using ACH) to the account designated by the ESCO. All purchases are subject to a discount. A billing services fee applies to all bills rendered containing ESCO charges. The ESCO may enroll accounts using the single bill service or dual billing, and this election is made in the EDI 814 Enroll transaction. The ESCO establishes “rate codes” in the CH billing system which are used to determine the amount of the customer’s supply charges. The rate code to which each customer account is assigned is specified in the Enroll transaction. CH sends the ESCO both 867 and 810 transactions for each bill rendered under the service.

## Billing Specifics

ESCOs create and maintain their rate codes using a real time tool available at the CH website. When the meter for an account served by the ESCO is read, CH will calculate the total supply charges by applying the designated rate (the rate contained in the rate code to which the account has been assigned) to the usage indicated by the meter reading. CH will also calculate any applicable sales tax. These charges will be displayed in the ESCO supply section of the CH bill (the supply section immediately follows the CH delivery section on the bill). The ESCO billing details shown on the bill will include the ESCO's name and contact information, the usage, the rate per unit of energy, the sales tax (if applicable) and the total charges. No other charges are shown on the bill. If the ESCO is subject to Gross Receipts Tax with respect to a sales particular account, recovery of such taxes must be included in the price charged by the ESCO. No other charges (such as charges for non supply services, fees, or early termination charges) may be included in the price charged by the ESCO.

Starting in July 2016 we began billing customers monthly. Residential and small customers were read bimonthly however they received an interim reading. The only exception was for customers who are net metered. They were still billed bimonthly. All electric accounts with measured demand and larger gas accounts continued to be read and billed monthly. Beginning at the end of 2023, CH started the transition to monthly meter reading. A majority of accounts will be converted by the end of summer 2024. Estimated readings may still be used in certain circumstances.

ESCOs control the charges made to their customers by altering either the rate code assignment, or by altering the supply price. For example, if the ESCO assigned an account to rate code A100 at enrollment, the ESCO may either move that account to B100, or the ESCO may change the price contained in A100. A rate change will affect all usage within a given billing cycle, and is effective immediately upon receipt by CH. A price change will be prorated, based on the number of days each price is in effect. A maximum of two different prices may be reflected within a given billing cycle.

When changing prices, keep in mind there is a minimum of 5 calendar days that will be needed in order for the proration to calculate. If there are less than 5 calendar days the system will use 0 for a proration of the new price thus billing all usage to the old price.

### Examples

Assume: Gas account 1234567890 is billed monthly on or about the 15<sup>th</sup> of the month. When it was enrolled, the ESCO placed this account in the ESCO's rate code G100, which contains the price \$0.80 per CCF. The billing for this account from January 15, 201X to February 15, 201X for 500 CCF of usage would be  $(500 \times \$0.80 = \$400.00)$ . However, if at any time up to and including February 15, the ESCO had moved this account from rate code G100 to rate code G200 (which rate code contains the price \$0.90), then all usage for the billing period January 15 to February 15 would be billed at the rate in the newly assigned rate code  $(500 \times \$0.90 = \$450.00)$ .

Assume: Electric account 0987654321 is billed monthly on or about the first of each month. This account is currently assigned to rate code E100, which contains the

price \$0.08 per kWh. The billing for this account from December 1, 20X1 to December 31, 20X2, for 1000 kWh of usage would be (1000 x \$.08 = \$80.00). However, if on December 15, the ESCO changed the price in rate code E100 to \$0.09 (with an effective date of December 15) then when this account is billed, the price charged would be \$0.08 from December 1 to December 15, and \$0.09 from December 16 to December 31. In effect, a pro-rated price of \$.085 per kWh for the billing cycle.

ESCOs may designate a bill message of up to 480 characters to be displayed in the ESCO section of the bill. The content of bill messages is under the control of the ESCO, and bill messages are also created and maintained at the CH website.

CH charges the ESCO a per-bill fee for providing the billing service. The electric and gas fees differ, and the current fees are found in the CH tariff. If an ESCO provides both electric and gas service to a particular account, each fee is halved.

CH accounts that are billed using budget billing (level monthly billing) may participate in the single bill service, and the payments and charges for these accounts will be based on the actual meter readings and related charges, not the monthly budget billing amount.

CH provides a group of pre-established rate codes that may be used by ESCOs. These rate codes are designed to track the CH electric and gas prices and are intended to allow ESCOs to provide customers with a price that is guaranteed to be a stated percent or dollar amount below or above the CH price for a given period. CH updates these prices whenever the CH price changes, in order to maintain the stated relationship. A table showing the indexed rates can be found at the CH website.

**Examples:**

An ESCO who wishes to guarantee to a customer that their gas price will be exactly \$.05 per CCF less than the CH price would assign the customer's account to rate code X540. Whenever the CH gas price changes, the price assigned to X540 will track the change, and it will be set at the CH price less \$.05.

An ESCO is prospecting a commercial electric account that is taxable. The ESCO advises the customer that the 8% sales tax on the customer's delivery charges will be waived if the customer switches, and offers to share that savings by charging the customer the CH electric price plus 2%. The ESCO would assign this account to rate code X171.

**POR Specifics**

The POR transaction is calculated semi monthly, after CH billing batches 5 and 15. The schedule of CH billing batches can be found at the CH website. All purchases are made without recourse. CH will own the customer receivable as a result of the POR, and the ESCO may not encumber the customer receivable in any way.

CH will include in each POR transaction, the proceeds from all billing transactions that have occurred since the last POR transaction. An EDI 810 transaction is provided to the ESCO as each applicable meter is read and processed. At the end of the period (after batches 5 and 15) CH will summarize and audit the transactions, and will post at the CH

website a report detailing all applicable transactions. The reports could include; 1) the basic billing amount, 2) the POR discount, 3) the billing fee, 4) any bill cancellations, and 5) special service fees. If the ESCO participates in the CH referral program, additional transactions may also appear.

After the POR transaction is audited and verified, CH will wire the net funds to the account designated by the ESCO. This payment will be made no more than 5 days following the end of the applicable batch transaction.

The POR discount rate is a percentage of the billed charges. The rate is subject to change each year on April 1. It can also change off-schedule when a CH general rate order is rendered. The current discount rate is contained in tariff statements filed by CH with the Public Service Commission, which can also be accessed through the CH website.