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The following terms and conditions apply to both UDC customers and electric energy service providers who participate in Direct Access. Direct Access shall refer to any end-use UDC

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customer electing to procure ~~its~~ their electricity, and any other CPUC-authorized energy services, directly from electric service providers (ESPs) as defined in Rule 1. ESPs who serve small customer service accounts, as defined in Rule 1, shall be registered with the State of California and meet any certification requirements established by the appropriate State agencies.

### A. CUSTOMER SERVICE ELECTIONS

All UDC customers will have the opportunity to acquire their electric power needs under three options.

#### (1) Default UDC Services

This service preserves traditional UDC electric services, where the UDC performs all energy services for the end-use customer. The UDC will acquire all its electric power requirements from the Power Exchange (PX). All customers who have not chosen to use direct access remain on default UDC services. Customers may choose to return to default UDC services after having elected direct access.

#### (2) Hourly PX Rate Option (Virtual Direct Access)

This service allows customers to purchase electric power from the UDC at the applicable PX price posted each hour. This service requires customers to have in place Interval Metering, as defined in Section B, General Terms, at the customer's expense. For all customers receiving default UDC services, this is a service election that must be requested by the customer.

#### (3) Direct Access

This service election allows customers to purchase electric power and, at the customer's election, additional energy services from non-UDC entities known as ESPs.

~~Customers will have the opportunity to elect consolidated billing services from the UDC, to elect consolidated billing services from the ESP or to elect separate bills from each entity if the ESP offers those services. The billing options are described in Section O, Billing Service Options and Obligations.~~

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Direct Access customers who are not defined as ~~s~~Small Customers commercial, as defined in Section B, General Terms, will be required to have in place Interval Metering, as defined below, at no expense to the UDC. Pursuant to D. 97-05-039, these customers will be eligible to choose either the UDC or ESP to provide meter services. After 1998, the CPUC ~~will~~ may extend meter service elections to remaining customers. Meter service options are described in Sections H and I, ~~Summary of Meter Service Options and Obligations~~.

Direct Access customers, who have individual service accounts with a maximum demand between 20 and 50 kW may be exempt on an interim basis from the Interval Metering requirements pursuant to CPUC rules ~~[(as yet undetermined)]~~.

### B. GENERAL TERMS

#### (1) Definitions

The definitions of principal terms used in this rule are found either herein or in Rule 1, Definitions. Unless otherwise stated, all references to “customer” in this rule will refer to UDC customers who have elected Direct Access. Unless otherwise stated, all references to “small commercial customers” in this rule will be defined in Rule 1, Definitions. Unless otherwise stated, all references to “service account” shall refer to individual customer meters. Unless otherwise stated, all references to UDC charges shall include the Trust Transfer Amount (TTA) charges.

The descriptive headings of the various sections of this Agreement have been inserted for convenience of reference only and shall in no way define, modify or restrict any of the terms and provisions thereof.

#### (2) General Obligations of the UDC

##### (a) Neutrality Non Discrimination

The UDC shall discharge its responsibilities under this tariff in a neutral manner as to providers of all commodities and services which are subject to customer choice. Unless otherwise authorized by the CPUC, the FERC, or the affiliate transactions rules, a UDC shall not:

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- (1) represent that its affiliate(s) or customers of its affiliate(s) will receive any different treatment with regard to the provision of UDC services than other, unaffiliated service providers as a result of affiliation with the UDC; or
- (2) provide its affiliate(s), or customers of its affiliate(s), any preference (including but not limited to terms and conditions, information, pricing or timing) over non-affiliated suppliers or their customers in the provision of UDC services.

(b) Requests for UDC Services

A UDC shall process requests for similar UDC services, such as DASRs, in the same manner and within the same period of time for its affiliate(s) and for all other market participants and their respective customers.

~~(c) General Requirements~~

~~The provision in this section B(2) are intended to summarize some of the expected requirements of the "affiliate transactions" proceeding (A.97-04-011). The UDC will comply with the rules adopted in that proceeding, which are expected to include rules respecting neutrality similar to those specified in Section B(2)(a) as well as such other subjects as information flow.~~

(cd) Timeliness and Due Diligence

Consistent with state law and CPUC decisions, the UDC shall exercise due diligence in meeting its obligations and deadlines under this tariff so as to facilitate customer choice as quickly as possible.

(de) Transmission and Distribution Service

Subject to the terms of the Service Agreement, applicable tariffs and applicable FERC rules and ESP's and customer's compliance with their terms, the UDC will provide transmission and distribution services ~~to the~~

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ESP under applicable tariffs and contracts for ~~the ESP's~~ delivery of electric power to Direct Access customers ~~under applicable tariffs~~.

(3) General Obligations of ESPs

(a) Timeliness and Due Diligence

ESPs shall exercise due diligence in meeting their obligations and deadlines under this tariff so as to facilitate customer choice as quickly as possible. ESPs shall make all payments owed to the UDC under this tariff in a timely manner subject to applicable payment dispute provisions.

(b) Arrangements with ESP Customers

ESPs shall be solely responsible for having appropriate contractual or other arrangements with their customers necessary to implement direct access consistent with all applicable laws, CPUC requirements and this tariff. The UDC shall not be responsible for monitoring, reviewing or enforcing such contracts or arrangements.

(c) Scheduling Coordinator

As a requirement of this tariff, ESPs providing electric power shall have one or more Scheduling Coordinators, with no more than one Scheduling Coordinator per service account, for the purpose of reporting all of the ESP's end-use meter readings to the ISO. ESPs shall disclose the identity of these Scheduling Coordinator(s) to the UDC. The UDC shall not be responsible for enforcing requirements applicable to the performance of the Scheduling Coordinator(s).

(4) Transfer of Cost Obligations Between ESPs and Customers

Nothing in this tariff is intended to prevent ESPs and customers from agreeing to reallocate between them any costs for Direct Access services which are designated in this tariff to be paid by either of them.

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(5) Responsibility for Electric Purchases

ESPs will be responsible for the purchase of their Direct Access customers' electric power needs and the delivery of such purchases to designated receipt points as set forth on the schedules given to the Scheduling Coordinators (SC).

(6) UDC Not Liable for ESP Services

To the extent the customer takes service from an ESP, the UDC has no obligations to the customer with respect to the services provided by the ESP. The customer must look to the ESP to carry out the responsibilities associated with that service.

(7) ESP Not Liable for UDC Services

To the extent the customer takes service from the UDC, an ESP has no obligations to the customer with respect to the services provided by the UDC. The customer must look to the UDC to carry out the responsibilities associated with that service.

(8) Load Aggregation for Procuring Electric Power

Customers or ESPs may aggregate individually metered electric loads for procuring electric power only. Load aggregation will not be used to compute UDC charges or for tariff applicability. The right of customers to physically aggregate by combining multiple accounts into a single metered account as permitted under CPUC-approved tariffs is not restricted by this section.

(9) Split Loads Not Allowed

Customers requesting Direct Access services may not partition the electric loads of a service account among electric service options or providers. The entire load of a service account must be nominated to only one of the electric service options or providers available to customers.

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(10) Small Customers

All Small Customers residential and small commercial customers, as defined in Rule 1, Definitions, except for agricultural and lighting customers, are eligible for a 10% reduction in rates effective January 1, 1998. Service accounts of small customers, as defined in Rule 1, are eligible for statistical load profiling effective January 1, 1998. Small customer service accounts will not be eligible for meter services provided by non-UDC parties until January 1, 1999, ~~or until such time as the CPUC approves the expansion of meter service choices for these customers.~~

~~[Refer to “Changes to SDG&E’s Rule 1, Definitions”–attached]~~

For new customers without a history of electric use, the UDC will estimate new meter loads using existing criteria and use these estimates to evaluate the customer’s eligibility for unbundled meter services and statistical load profiles.

(11) Interval Metering

“Interval Metering” shall refer to the purchase, installation and maintenance of a meter device capable of recording minimum data required. Minimum data requirements include (a) hourly data required for the Direct Access settlement process; or (b) data required to bill UDC distribution tariffs, including any communication systems needed to allow the customer access to meter reading usage data.

(12) Statistical Load Profiles

The UDC will provide statistical load profiles, in place of Interval Metering, to permit the UDC or ESP to compute the bills for all Direct Access customers who have service accounts that do not require, or are exempt from, Interval Metering as specified above. ~~Statistical~~ Except for calculation of CTCs, statistical load profiles will not apply to service accounts where Interval Metering is in place and used for billing. Statistical load profiles will be applied as authorized by the CPUC.

(13) Master Metered Customers

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Individual master metered customers who provide sub-metered tenant billings, may participate in Direct Access as a single account. A master metered customer may not partition the electric loads of a single master meter among several electric service options or providers. The entire load of a single master meter must receive service under one electric service option and provider.

### (14) Service Fees and Other Charges

- (a) For services for which the CPUC determines there are insufficient providers to ensure customer choice ("Non-discretionary Services"), service fees shall be established by the UDC based on incremental cost and shall be approved by the CPUC. Once approved, these fees will be included in the appropriate UDC rate schedule.
- (b) During the interim period between the start of Direct Access and a CPUC decision approving specific fees for Non-discretionary Services, the UDC will charge the net incremental costs associated with providing Non-discretionary services to a memorandum account pending the CPUC's decision regarding service fees. Should the Commission approve such fees, the UDC may seek to collect such fees as a Direct Access implementation charge under Section 376 of the Public Utilities Code.
- (c) For services for which there are sufficient providers to ensure customer choice ("Discretionary Services"), service fees shall be established by the UDC via an advice letter effective thirty (30) days following filing of the advice letter and included in the appropriate UDC rate schedule.
- (d) The UDC may charge interim fees for the metering and billing services described in this Rule based on the incremental costs associated with providing these services as set forth in the appropriate UDC rate schedule. During the interim period between November 1, 1997 and a CPUC decision regarding such fees, the UDC will track the fees and costs associated with providing these billing and metering services in a one-way memorandum account. If the service fees are approved by the CPUC, and such fees are lower than those included in the appropriate rate schedule, the fees previously charged will be reconciled against the approved fees and subject to refund.



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- (e) Service charges approved by the CPUC such as service connection fees, special meter readings etc., and which are contained within or authorized by other tariffs are not affected by this Rule.
- (f) Fees for Direct Access services are described in utility Schedules [\_\_\_\_\_].
- (g) The UDC can recover the costs of Direct Access service only once (i.e., any cost recovered under one cost recovery mechanism [fees, charges, direct access implementation rates or existing rates] should not also be recovered through another mechanism).

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(154) CTC Obligations - ~~[AGREE/DISAGREE]~~

***Alliance Position***

~~Direct Access customers will be responsible to pay for all CTC charges authorized by the CPUC in accordance with state law. To the extent a customer will not use the UDC's facilities for Direct Access, the customer shall provide in writing to the ESP the customer's understanding and acceptance of the obligation to pay CTC, unless the customer is eligible for an exemption under PU Code Section 374 or has a valid jurisdictional objection. Other customers will not be required to provide such a writing.~~

***SDG&E Position***

~~As a condition of receiving Direct Access service, Direct Access customers will be responsible to pay for all ~~competitive transaction e~~ Competition Transition Charges (CTC) and other non-bypassable charges authorized by the CPUC for the UDC to recover from customers in accordance with state law. Direct Access customers are required to confirm this responsibility in writing provided to the ESP, unless the customer is exempt from the requirement to provide such a confirmation in writing pursuant to Public Utilities Code Section 370. Where the customer disputes its obligations to pay CTC for a particular account, the customer may condition its agreement on resolution of the dispute, provided that the customer has formally requested the CPUC to grant such relief. However, the existence of such a dispute does not relieve the customer from the obligation of paying CTC while the dispute is pending. The UDC will continue to bill the customer (either directly or indirectly through its ESP, depending on the billing option selected) for such charges. The customer must pay all charges, but may pay any amounts in disputes in accordance with Rule 10, pending resolution of the dispute.~~

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(165) Franchise Fees And Other Charges

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Direct Access customers continue to be responsible to pay all applicable fees, surcharges and taxes as authorized by law. The UDC will ~~continue to bill ESPs as part of its UDC charges and collect for these applicable authorized fees, taxes and surcharges~~ for franchise fees as set forth in Public Utilities Code Sections 6350 to 6354, and for fees as set forth in Public Utilities Code Sections 401 to 410. for energy services performed by an ESP. The ESP and UDC will each be responsible for calculating other fees, taxes, and surcharges for their respective services. The billing party will be responsible for billing these charges.

### (176) Liability In Connection With ESP Services

- (a) In this Section, “damages” shall include all losses, harm, costs, and detriment, both direct and consequential, suffered by the customer.
- (b) The UDC shall not be liable to the customer and ESP for any damages caused by the UDC’s conduct in compliance with, or as permitted by, the UDC’s electric rules and tariffs, the ESP/UDC Agreement and associated legal and regulatory requirements related to DA Service.
- (c) The UDC shall not be liable to the customer for any damages caused to the customer by any failure by ESP to comply with the UDC’s electric rules and tariffs, the ESP/UDC Agreement and associated legal and regulatory requirements related to DA Service.

The CPUC shall have initial jurisdiction to interpret, add, delete or modify any provision of this tariff or the ESP-UDC Service Agreement, and to resolve disputes regarding the UDC’s performance of its obligations under the UDC’s electric rules and tariffs, the ESP-UDC Service Agreement and requirements related to Direct Access service, including any disputes regarding delays in the implementation of Direct Access.

- (d) The UDC shall not be liable to the customer for any damages caused by ESP’s failure to perform any commitment to the customer, including, but not limited to the obligation to provide Electric Supply services to the customer. The ESP shall not be liable to the customer for any damages caused by the UDC’s failure to perform any commitment to the customer.
- (e) An ESP is not the UDC’s agent for any purpose. The UDC shall not be liable to the customer for any damages resulting from any acts, omissions, or representations made by ESP in connection with soliciting customers for DA Service or performing any of its functions in rendering DA Service.
- (f) A UDC is not the ESP’s agent for any purpose. The ESP shall not be liable to the customer for any damages resulting from any acts, omissions, or representations made by the UDC in connection with

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soliciting customers for DA Service or performing any of its functions in rendering DA Service.

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### C. CUSTOMER INQUIRIES AND DATA ACCESSIBILITY

#### (1) Customer Inquiries

For customers requesting information on Direct Access, the UDC will make available the following information:

- (a) Customer information packets, explaining the customer's choices for electric services, and the procedures and forms needed to implement these services.
- (b) A list of CPUC-registered ESPs eligible to serve small customers as well as a list of all ESPs with service agreements to do business in the UDC's service territory. The UDC will endeavor to update its lists periodically, but the UDC is under no obligation to assure the accuracy of these lists.

New customers will receive general information concerning their choices for electric services by contacting the UDC. in the UDC's New Customer Brochure. ~~Upon request, the packet list above will be made available.~~

#### (2) Customer Request To Initiate Service

For customers initiating a request for electric service from the UDC, the UDC shall inform customers of their ability to choose their electric provider and that the information described in Section C.(1) is available. The UDC shall also inform customers of the toll-free number of the Electric Education Call Center so long as it remains in operation.

#### (3) Access to Customer Usage Data

The UDC will provide customer-specific usage data to parties specified by the customer, subject to the following provisions:

- (a) Except as provided in Section E, the inquiring party must have written authorization from the customer to release such information to the inquiring party only. At the customer's request, this authorization may also indicate if customer information may be released to other parties as specified by the customer.

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- (b) Subject to customer authorization, the UDC will provide a maximum of the most recent 12 months of customer usage data or the amount of data for that specific service account in a format approved by the CPUC. Customer information will be released to the customer or ~~its~~ ~~their~~ authorized agent up to two times per year per service account at no cost to the requesting party. Thereafter, the UDC will have the ability to assess a processing charge only if approved by the CPUC.
- (c) As a one-time requirement at the initiation of Direct Access, the UDC will make available a database containing a 12-month history of customer-specific usage information with geographic and SIC information, but with customer identities removed. The UDC will have the ability to assess a charge only if approved by the CPUC.
- (d) By electing to take Direct Access service from an ESP, the customer consents to the release to the ESP metering information required for billing, settlement and other functions required for the ESP to meet ~~its~~ ~~their~~ requirements and 12 months of historical usage data.

### (43) Customer Inquiries Concerning Billing-Related Issues

Customer inquiries concerning the UDC's charges, services or the Trust Transfer Fixed-Transition Amount (~~FTTA~~) charge should be directed to the UDC ~~to satisfy~~.

Customer inquiries concerning the ESP's charges or services should be directed to the ESP ~~to satisfy~~.

### (54) Customer Inquiries Related To Emergency Situations And Outages

- (a) The UDC will be responsible for responding to all inquiries related to distribution service, emergency system conditions, outages and safety situations. Customers contacting the ESP with such inquiries should be referred directly to the UDC. ESPs performing ESP Consolidated Billing must show the UDC's phone number on their bills s for use in emergencies.
- (b) It may be necessary for the UDC to shed or curtail customer load at the request of the ISO, or as otherwise provided by Commission tariffs. In such cases, the UDC will give both the affected customer and ESP as much notice as reasonably possible.

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- (c) The UDC will notify the customer and ESP of planned distribution system outages for maintenance work prior to commencement of such outages if feasible.
- (d) The UDC will be responsible for implementing Commission-approved load curtailment programs, including providing notification to participating “non-firm” customers who are the Direct Access customers of the ESP.
- (e) The ESP will be responsible for notifying its Scheduling Coordinator of any notice received from the UDC under section C4.

### D. ESP SERVICE ESTABLISHMENT

The ESP must satisfy the following requirements before an ESP can provide Direct Access services in the UDC’s service territory:

- (1) All ESPs must submit an executed standard Energy Service Provider Agreement (UDC-ESP Service Agreement) in the form attached hereto.
- (2) The ESP must warrant to the UDC that the ESP has registered with the CPUC if it intends to serve small customers and has selected an Independent Verification Agent (IVA) for all transactions for which independent verification is required by law.
- (3) The ESP must satisfy UDC credit-worthiness requirements as specified in Section S, Credit Requirements.
- (4) The ESP must satisfy applicable CPUC Electronic Data Exchange requirements, including:
  - (a) ESP must complete all necessary electronic interfaces for the ESP and UDC to communicate for DASRs, general communications and if providing Metering and Data Management Agent (MDMA) meter services, to satisfy meter reading communications including communicating to and from Metering and Data Management Agent (MDMA) Servers for sharing of meter reading and usage data.

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- (b) The ESP must have the capability to exchange data with the UDC via the Internet. Alternative arrangements may be allowed if mutual agreement is made between the UDC and ESP.
- (c) The ESP must have the capability to perform Electronic Data Interchange (EDI), and enter into appropriate agreements related thereto, if the ESP will be offering either UDC or ESP Consolidated Billing services.

(5) If the ESP will be offering Consolidated ESP Billing services, Meter Services or MDMA Services, the ESP must demonstrate the ability to perform the functions required by this Rule. The UDC will continue to provide those services until compliance testing has been completed. The ESP's failure to complete such compliance testing shall not affect its ability to provide electric power to customers.

### E. DIRECT ACCESS SERVICE REQUEST (DASR)

- (1) Direct Access Service Requests (DASRs), in the form attached hereto as Appendix A, must be submitted electronically (unless the UDC has also approved of some alternative means of submittal) to the UDC by the customer's authorized ESP, or the customer if it is acting as its own ESP. The DASR process described herein is used for customer Direct Access elections, customer-initiated returns to default UDC service and ESP-initiated termination of a customer agreement. ESPs must execute the UDC-ESP Service Agreement before submitting DASRs.
- (2) A separate DASR ~~form~~ must be submitted for each service account ~~or group of service accounts to which the ESP plans to provide identical billing and meter services~~. Upon request, the UDC will provide timely updates on the status of the DASR processing to the submitting ESP and customer.
- (3) DASRs must identify the service account(s) participating in Direct Access, including ~~its~~ their billing and meter service elections. A DASR that does not contain this information is materially incomplete.
- (4) DASR forms will be available through electronic means (e.g., the UDC's website).
- (5) ~~An~~ The ESP which is ~~the providing~~ meter services ~~provider~~ must satisfy, and specify in the DASR process for each service account, the ~~following~~ meter and



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data communications provisions that are contained on the DASR form attached hereto as Appendix A. ÷

- ~~(a) Define the service account location, including addresses and UDC service account numbers associated with the Direct Access service options elected by the customer(s).~~
- ~~(b) Identify the billing and metering elections and agents elected by the customer.~~
- ~~(c) Identify the installation dates of each new meter or additional equipment (e.g. communications devices) for that meter as necessary.~~

(6) (a) For a residential or small commercial customer, a DASR shall not be submitted to the UDC until ~~three days~~ ~~the fourth day~~ after the verification required under Public Utilities Code Section 366.5 has been performed. It is the responsibility of the ESP to ensure that the requests of the residential and small commercial customers to cancel service pursuant to Public Utilities Code Section 395 are honored.

(b) If a customer cancels an agreement pursuant to Public Utilities Code Section 395, a DASR shall not be submitted for that customer. If a DASR has already been submitted, the submitting party shall, within 24 hours, direct the UDC to cancel the DASR.

(76) The UDC will provide an acknowledgment of its receipt of the DASR to the ESP within 2 working days of its receipt. The UDC will exercise best efforts to provide, within 3 working days thereafter (and no later than 5 working days), ~~provide~~ the ESP and the customer with a DASR status notification informing them the ESP and the customer of as to whether the DASR has been accepted, rejected or deemed pending for further information. As of July, 1998, the UDC will provide this DASR status notification within 3 working days. If accepted, the switch date determined in accordance with paragraphs 12 or 13 of this section, will be sent to the ESP, the former ESP if applicable, and the customer. If a DASR is rejected, the UDC will provide the reasons for the rejection. If a DASR is held pending further information, it shall be rejected if the DASR is not completed within 11 working days following the status notification.

(87) In accordance with the provisions of Rule 3, the UDC has the right to deny the ESP's request for service if the information provided by the applicant is false, incomplete, or inaccurate in any material respect.

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(98) The UDC will begin accepting requests for Direct Access no later than on November 9, 1997.

(109) ~~[AGREE/DISAGREE]~~

***Alliance Position***

~~If a submitted DASR complies with the DASR requirements, the DASR will be accepted and scheduled for Direct Access implementation, provided however, that small customers have the right to cancel an agreement for energy services until midnight of the third business day after the day on which the customer accepts an offer to purchase energy services from the UDC or an ESP, in which case the ESP will direct the UDC to terminate processing of that DASR. In the case of customers which are not residential or small commercial customers, a DASR which has been submitted in error may be canceled by the submitting ESP or the customer within 2 weeks after notification of DASR acceptance, or up until 3 business days prior to the scheduled service change date, whichever is earlier. The UDC will notify the ESP of a customer's cancellation. The ESP will ensure that customers are notified of these cancellation opportunities at the time the offer to provide Direct Access is made.~~

***SDG&E Position***

~~If a submitted DASR complies with the DASR requirements, the DASR will be accepted and scheduled for Direct Access implementation, provided however, that small customers have the right to cancel an agreement for energy services until midnight of the third business day after the day on which the customer accepts an offer to purchase energy services from the UDC or an ESP, in which case the ESP will direct the UDC to terminate processing of that DASR. The UDC will notify the ESP of a customer cancellation.~~

~~For large customers, a DASR may be canceled by the submitting ESP or the customer within 2 weeks after notification of the DASR acceptance up until 3 business days prior to the scheduled service change date, whichever is earlier.~~

~~For small customers, a DASR may be canceled by the customer up until 3 business days prior to the scheduled service change date.~~

(110) For a specific service account to qualify for priority queues in the processing of Direct Access requests if backlogs are experienced by the UDC, the ESP must warrant to the UDC that it is providing at least 50% of its electric power to that

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customer will come from a state-certified renewable energy resource supplier~~(s)~~ meeting the requirements of PU Code Section 365(b)(2). In other cases, DASRs shall be handled on a first-come, first-served basis. Each request shall be time-stamped by the UDC. The UDC has no responsibility for verifying the customer's or ESP's compliance with Section 365(b)(2)

- (121) If more than one DASR is received for a service account within a single DASR processing period (16<sup>th</sup> of the month until the 15<sup>th</sup> of the following month), only the first valid DASR received will be processed in that period. All subsequent DASRs will be rejected.
- (132) Accepted DASRs that do not require a meter change and that are received by the UDC on or before the 15<sup>th</sup> of the month, will be switched over no later than the next month's scheduled meter reading date for that service account.
- (143) Accepted DASRs that require a meter change by the UDC will be switched over to Direct Access on the date of installation. The UDC will endeavor to complete the meter change request within 15 days after acceptance of the DASR in the absence of a meter installation backlog. The UDC will provide notice of any current meter service backlog or the next available installation date.
- (154) Accepted DASRs that require a meter change by an ESP will be switched over to Direct Access on the date the meter is installed.
- (165) A maximum of twelve (12) months of customer usage data, or the amount available for that customer, will be sent from the UDC, or existing ESP currently serving that customer, to the new ESP no later than five (5) days before the scheduled switch date.
- (176) In the event that the ISO governing board, ~~with CPUC approval~~, declares an emergency and institutes a moratorium of UDC processing of Direct Access requests, the UDC will comply with such requests and inform ESPs or customers of the details of emergency plans.
- (187) The UDC, ESP and customer, on mutual agreement, may agree to a different service change date for the service changes requested in a DASR.
- (198) A DASR is submitted pursuant to the terms and conditions of the ESP/UDC Agreement and this Rule, and will also be used to define the Direct Access services that the ESP is providing the customer.

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- (2019) Customers returning to UDC bundled service will follow the same process and timing as DASRs to establish Direct Access service.
- (a) ESP's requesting to return a Direct Access customer to UDC bundled service will submit a DASR and be responsible for the continued provision of the customer's electric supply service, metering and billing services until the service change date. In this case, the ESP will also be responsible for paying any Ceommission-approved DASR charge.
- (b) Customer's requesting return to UDC bundled service may do so either by contacting their ESP or directly contacting the UDC. In this latter case, the customer will be responsible for paying any Ceommission-approved DASR charge.
- (210) The UDC will have the ability to assess a charge for accepted DASRs only, and only if such a fee is approved by the CPUC. This charge will be billed to the ESP unless the customer is requesting to return to UDC service where the charge will be billed charged to the customer.
- (221) Following the removal of system limitations, a customer moving to new premises may retain or start Direct Access immediately, and in any event no later than two days after a DASR has been submitted, provided that the applicable metering requirements have been met. Due to current system limitations, a customer moving to new premises who wants to retain or start Direct Access must have the ESP submit a DASR to the UDC for the new premises no less than 10 business days before the customer's scheduled start date at the new premises. This DASR will need a special 'new customer' notation. If the DASR is received after that date or without the notation of 'new customer,' the customer will receive the UDC's bundled service until the DASR is processed under the procedures set forth in Section E.(13). Ultimately, a customer moving to a new premise and wishing to retain or start Direct Access immediately will be able to make that election with its initial request for service. Initially, for a customer moving to a new premises, wishing to retain or start Direct Access immediately, the ESP must submit a DASR to the UDC for the new premise no less than 5 business days before the customer's scheduled start date at the new premise. This DASR will need a special "new customer" notation. If the DASR is received after that date or without the notation of new customer, the customer will receive the UDC's bundled service until the DASR is processed under the procedures set forth in Section E(12).

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(232) Billing options (including designation of a billing agent) and metering options are requested through a submission of a DASR and cannot be changed more frequently than once per billing cycle.

(243) The UDC will not hold the ESP responsible for any customer unpaid billing charges prior to the customer's switch to Direct Access. Unpaid billing charges will not delay the processing of DASRs and will remain the customer's responsibility to pay the UDC. The UDC will follow current CPUC credit rules in the event of customer non-payment, which includes the disconnection of service.

### F. INTENTIONALLY LEFT BLANK.

### G. INDEPENDENT VERIFICATION

A request for a change in ESPs representing residential or small commercial customers shall not be submitted granted by an ESP until three days after the provisions of Sections 366.5(a)(d) ~~and~~ or 366.5(b)(e) of the CPUC Code have been satisfied. These provisions are not repeated herein.

The UDC may not accept a request from a residential or small commercial customer to return to the UDC's provisioning of electric power unless the provisions of P.U. Code Section 366.5 have been satisfied.

### H. METERING SERVICES

#### (1) Definitions

##### (a) Meter Services

Meter services have been proposed to be grouped into three packages for initial DA implementation. These three packages are:

Meter Ownership  
Meter Services(Installation, maintenance, and testing)  
Meter Data Management Agent(MDMA) Services

These packages are subject to CPUC approval. These package services may be provided by the UDC or an ESP, and the parties may subcontract these services to third parties. An ESP may also subcontract with the

## APPENDIX A

UDC for the provision of any component service of any package, and the UDC ~~shall~~ may provide such service.

(b) Interval Meter

Interval meter is defined as a meter capable of reading and storing electric consumption data at specified time intervals of no greater than one hour as required for DA settlement and data required to bill applicable UDC tariffs. Although DA meter data requirements are as defined above, current UDC systems constraints will dictate the 15-minute interval data for all DA customers on 1/1/98. This limitation is expected to be lifted no later than 1/1/99. ~~Except for customers for whom 15-minute interval data is needed to collect the CTCs, during the period from January 1, 1998 to December 31, 1998, h~~Hourly data may be divided by four so that 15-minute interval data is available. Utilities, ESPs or customers, may own or lease interval meters used for billing purposes for direct access services, but shall (if leasing meters) continue to be responsible for the obligations of a meter owner under this Section H. Potential and current transformers shall be considered part of the distribution system and shall remain the responsibility of the UDC.

(c) Eligible Customers

Customers who have individual service accounts and do not qualify for statistical load profiling must have interval meters prior to receipt of direct access service. ESPs may provide, install, read and service interval meters for any customer other than a Small Customer over 20 kW pursuant to CPUC regulations. For Small Customers those customers under 20kw, meter services will be unbundled on ~~or before~~ 1/1/99, as approved by the CPUC, and all meter services will continue to be provided by the UDC's until that date.

(d) Meter Conformity ~~[AGREE/DISAGREE]~~

***Alliance Position***

~~All meters and meter services must conform to CPUC regulations. To the extent a customer taking DA Service under this tariff elects or is required to return to bundled UDC Service, such customer may continue to use the same meter provided it conforms to CPUC regulations.~~

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### ***SDG&E Position***

All meters and meter services must conform to CPUC regulations. To the extent a customer taking DA Service under this tariff elects or is required to return to bundled UDC Service, such customer may continue to use the same meter provided it conforms to CPUC regulations, provided the meter is compatible with current UDC meter reading systems.

#### (2) Testing of Meter Specifications

The ESP or UDC, acting as the meter service provider (MSP) will be responsible for ensuring that all the interval meters comply with CPUC meter design specifications. No interval data meter will be set or allowed to remain in service if it is determined that the meter does not or did not meet the CPUC-approved design specifications in place at the time of meter installation.

Either party may test its own meters or those owned by its customers for conformance to CPUC meter performance specifications once such standards have been adopted. Once those standards have been adopted, ~~Either party may~~ request the other party to test its meter. The requesting party will receive notification of the test date, and written test results from the other party. The requesting party will also have the right to witness the testing. If the meter is found to be within CPUC approved standards, the requesting party shall pay the other party for all expenses related to the test.

If a Manufacturer's sealed meters has not previously been set, and the meter was tested within the last year and found to comply with CPUC specifications, the meter shall ~~will~~ be deemed in compliance with CPUC specifications without additional testing. ~~if the meter was tested within the last year and the meter has not previously been set.~~ Subsequent to initial installations each meter must be tested for accuracy prior to being used again. All parties will be subject to CPUC-approved testing specifications as recommended in the MDCS workshop. Records on testing shall be provided within five (5) working days of a request to either party.

#### (3) Installation

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When ~~the MSP either the UDC or ESP~~ installs a meter for a direct access customer, the meter installer must be CPUC certified to perform meter installation. The MSP will install all Interval Meters in compliance with CPUC performance specifications. Within three (3) working days of installation, the MSP will provide the non-MSP (i.e., the ESP or the UDC as the case may be) with the results of the initial meter calibration test, the ending reading for the meter which was removed (if applicable), the starting reading for the new meter, and information on meter identification, voltage, meter constants and other parameters required under CPUC-approved standards.~~Within two (2) working days of the meter installation, the installing party will provide the results of the initial meter calibration test, the date and time of the meter set, the ending read for the meter that was removed (if applicable), the start read of the new meter, and information on meter identification, voltage, meter constants and other parameters as provided for in CPUC regulations for purposes of identification and billing.~~ The UDC's must receive a copy of the MDCR (Meter and Data Communications Request) worksheet at least five working days prior to the meter set. Joint meets will be required between the UDC and an ESP for the first 50 installations completed by the ESP, but not thereafter, providing the installations meet CPUC-approved standards. Also, joint meets will be required for the existing UDC's interval data recorder (IDR) meters if the ESP is unable to obtain the final meter reading. The UDC's reserve the right to waive the joint meet.

When the UDC has reason to believe an ESP installation does not satisfy CPUC-approved standards, the UDC retains the right to perform on-site inspections subsequent to initial meter installations. The ESP shall be charged the costs of these subsequent inspections only to the extent approved by the CPUC and only if the inspections uncover any material noncompliance with CPUC-approved standards.

The customer may elect to have the ESP or UDC remove an existing meter at the customer's premises. Except as provided in Section H.(1)(d) above, ~~the~~ UDC will not require removal of a meter meeting CPUC required specifications as a condition of a customer's return to bundled UDC service. The UDC and ESP will coordinate the removal and installation of the new meter.

The party removing the meter must return the meter to the owner. The MSP shall return any meter it removes to the owner in the same condition that the meter was in prior to removal within five (5) working days, or such other time as may be mutually agreed upon.



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Where telephone lines are required for the utility to read the meter, installation of such lines is the responsibility of the customer. Such installation must be completed before the utility can schedule the meter installation work.

Prior to the initiation of a Commission program to certify meter installers, the ESP acting as a MSP may utilize meter installers that are agreeable both to the UDC and the ESP. In case of such an agreement, the ESP and the UDC shall notify the Commission of their agreement and the qualifications of the agreed upon meter installers.

(4) Meter Calibration and Testing

~~The UDC and ESP will ensure that all meters used for billing purposes for their respective customers are calibrated as provided for in CPUC regulations. If the meter is being moved it must be re-tested prior to being re-used again.~~

Either party may test its own meters or those owned by its customers for conformance to CPUC meter performance specifications. Either party may request the other party to test its meter. The party whose meter has been requested to be tested by the other party may require a \$50 deposit prior to such testing. The requesting party has the right to witness the testing. The requesting party will receive notification of the test date and written test results from the other party. If the meter is found to be within CPUC-approved standards, the requesting party shall pay the other party for all expenses related to the test.

The MSP shall be responsible for ensuring that all Interval Meters are calibrated in accordance with CPUC performance specifications. Records of calibrations will be provided to the appropriate parties within five (5) working days of a request to the other party.

(5) Testing of Meter Functions

The ~~MSP UDC and ESP~~ will ensure that all meters used for billing purposes ~~for their respective customers~~ are functioning in conformance with CPUC regulations.

Records of meter function tests will be provided to the appropriate parties upon request, within five (5) working days of the request, ~~to the other party.~~

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(6) Regular Meter Maintenance And Testing

The ~~MSP UDC and ESP~~, for all meters used for billing purposes, ~~is for their respective customers, are~~ responsible for the routine maintenance of the meter, including, but not limited to, testing and record keeping, in accordance with CPUC regulations.

(7) MDMA ~~eter Reading Services~~

~~MDMA services eter reading~~ will be performed in accordance with CPUC regulations and will be the responsibility of the party so indicated in the customer's DASR. ~~MDMA eter Reading~~ obligations include but are not limited to the following:

- (a) Meter data for DA Customers shall be read, validated, edited, and transferred pursuant to Commission-approved standards.
- (b) Regardless of whether ESP or UDC perform ~~MDMA eter Reading~~ services both UDC and ESP shall have access to the MDMA server.
- (c) ~~UDC and ESP~~ The MDMA shall provide Scheduling Coordinators (or their designated agents) ~~and each other~~ reasonable and timely access to Meter Data as required to allow the proper performance of billing, settlement, scheduling, forecasting and other functions.
- (d) The ~~MDMA party providing Meter Reading services~~ is required to keep the most recent 12 months of Customer consumption data for each DA Customer. Such data must be retained for a period of 36 months. Such data must be released on request to the customer or, if authorized by the customer, to any ESP or to the UDC.
- (e) Within five days after installation of the meter, the MDMA must confirm that the meter and meter reading system is working properly and that the billing data gathered is valid.
- (f) No more than 10 per cent of service accounts read will contain estimated data.

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(8) Failure to Comply With CPUC Requirements For Meters or Meter Services

- (a) Failure is defined as the circumstance wherein the apparent absence of appropriate usage data or testing, conducted by either party or a third party, reveals non-conformance with any applicable CPUC regulation governing meters or meter and MDMA services.
- (b) Upon the occurrence of undisputed failure, the party responsible for the non-complying meter or MDMA service must make corrections within three (3) calendar days.
- (c) Failure to make corrections within three (3) calendar days will result in the following sequential series of actions and penalties:
  - (1) Whichever party is not the party responsible for the non-conformance may cure the defect at the other party's expense.
  - (2) Upon a demonstrated pattern of non-conformance as defined below and failure to timely cure, the party not responsible for the non-conformance may give written notice of such non-conformance, and, after five (5) days, provide all meters and meter services required by the customer as determined by the DASR or as required to receive UDC bundled service.
  - (3) Demonstrated pattern of non-conformance by an ESP is defined as more than one percent (1%) of the service accounts served by an ESP, or five (5) accounts, whichever is greater, are found to be non-conforming and are not cured during the first six months of Direct Access participation; more than one half of one percent (0.5%), or three (3) accounts, whichever is greater, are found to be non-conforming and are not cured during any six consecutive months thereafter.
- (d) A UDC may refuse to enter into a new ESP-UDC Service Agreement with any ESP which has a demonstrated pattern of non-compliance and has failed to cure as provided in Section H 8(c) above for a period of no more than six (6) months from the date of such a determination as defined herein. This provision shall not apply where the alleged demonstrated pattern of non-compliance and failure to cure is disputed and such dispute is pending before any agency or entity with jurisdiction to resolve the dispute.

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(e) Whenever the ESP or the UDC becomes aware of any non-conforming meters or errors in the provision of meter services affecting billing, ~~it~~ ~~they~~ shall promptly notify the customer and one another. Bills found to be in error due to non-conforming meters or errors in meter services may be corrected as follows:

(1) If either the UDC or the ESP is providing consolidated billing, either of them may adjust their charges pursuant to CPUC-approved rules, if any, if such charges are affected by any non-conforming meters or erroneous meter service. In such circumstances the party providing the consolidating billing service shall cooperate with the other party to correct billing errors. The UDC will notify the affected Scheduling Coordinator.

(2) If the customer is being billed under separate UDC/ESP billing, the ESP and UDC shall be separately responsible for correcting billing errors in accordance with applicable CPUC rules.

### (9) Charges for Metering Services

(a) The UDC may charge the customer or the ESP for the provision of metering services only to the extent such charges are ~~authorized~~ ~~approved~~ by the CPUC. The installation of interval metering shall be at the customer's expense.

## I. UDC METER SERVICE OPTIONS AND OBLIGATIONS

(1) For Direct Access customers who acquire Interval Metering, the customer may elect from the UDC three grouped meter service options as described in Section H(1)(a). The three groupings are; the UDC will own the meter, the UDC will perform the meter installation, maintenance and testing, and the UDC will perform the meter reading services. The scope and costs of these groupings listed in section H(1)(a) will vary by UDC and will be approved by the CPUC, and will be provided in a separate schedule. The utilities shall offer at a minimum a tariffed service for each grouping listed in H(1)(a).

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- (2) As an alternative to (1), ESP's may subcontract to the UDC's for any combination of the following unbundled meter services:
  - (a) Meters supplied by the UDC.
  - (b) Meter installations, testing, and maintenance.
  - (c) Meter Data Management Agent (MDMA) Services reading-

These unbundled meter services may vary by UDC and all services will be approved by the CPUC.

- (3) If the UDC installs the meter, the meter will be installed according to the implementation schedule for Valid DASRs as set forth in Section E, Direct Access Service Requests.
- (4) The UDC reserves the right to extend its normal installation period due to meter and installation personnel availability. Under these circumstances, the UDC shall apprise the customer of the specific reasons for the delay and the anticipated schedule for installation. The UDC shall work with the customer to find mutually agreed upon alternatives to provide metering and to expedite meter installations, if necessary. Such alternatives may include, but not be limited to, allowing the customer to have the meter installed by a non-UDC supplier.
- (5) If the UDC provides meter maintenance services only, the UDC will be responsible for the accuracy, calibration, and other maintenance needs for the meter. UDC standards for meter maintenance will conform to the existing rules on such activities for all UDC customers. Under this specific itemized service, the UDC will not be responsible for replacing a non-UDC meter. Upon request and for a fee, the UDC may replace a faulty meter.
- (6) The MDMA shall read interval meters on the utility's scheduled meter reading date, or on such other date as may be mutually determined by the MDMA and the utility. At the customer's request the customer or the customer's ESP may elect a different meter reading date. The utility may provide this service at its option on a first-come, first served basis (by geographic area as appropriate), subject to existing resource, capacity, and other system constraints which may exist in the geographic area where the customer is located. The utility may assess a charge for this election only to the extent approved by the CPUC. If the UDC provides meter reading services, the UDC will determine the appropriate meter reading dates. Upon the customer's request, the UDC will make available to the customer, or the customer's ESP, the data obtained from the meter in a timely manner, as agreed to between the customer and the UDC.

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- (7) Upon the customer's request, the UDC will make available to the customer, or the customer's ESP, the data obtained from the meter in a timely manner, as agreed to between the customer and the UDC.  
~~At the customer's request the customer or the customer's ESP may elect a different meter read date. The UDC may assess a charge for this election only to the extent approved by the CPUC.~~
- (8) ESP's must provide the UDC with a notice (by any means acceptable to the UDC) to change their meter service election. Election changes will occur through the DASR process as specified in Section E.

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J. GENERAL TERMS AND CONDITIONS FOR DIRECT ACCESS METERS AND METERING SERVICES

- (1) As set forth in s Section I, customers with loads in excess of 20 kW must have interval meters to receive direct access services. In certain instances, the CPUC may determine, at some future date, that customers with individual service accounts between 20 and 50 kW may be exempt on an interim basis from the requirement of an interval meter as a condition for receipt of direct access.
- (2) The UDC's will require that an ESP or ESP's meter operator install a unique meter number on each meter. This meter number is required to insure proper meter identification for billing and field personnel. The UDC's will supply each ESP with a set of unique meter numbers to be installed on the ESP/customer/third party meter. This requirement maybe superseded once a statewide numbering system is developed.

K. **[INTENTIONALLY LEFT BLANK]**

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M. METER READING DATA OBLIGATIONS

~~*[The following provisions have not been reviewed by members of the Alliance and are accepted provisionally subject to confirmation by letter in near future.]*~~

- (1) Accuracy For All Meters
  - (a) Meter clocks will be maintained by Pacific Standard Time within + /- three minutes of the National Time Standard.
  - (b) Usage data will be accurate unless otherwise indicated. Data known to be inaccurate or missing will be estimated and flagged as estimated.
  - (c) No more than 10% of the accounts will contain estimated data.
  - (d) All meter reading data will be validated following CPUC-approved requirements.

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- (e) The MDMA will provide an infrastructure that supports retrieval of all data currently available to a MDMA client within a two-hour window.

(2) Timeliness For Validated Meter Reading Data

The following standards, once they have been adopted ~~as approved~~ by the CPUC, shall ~~will~~ be used to establish the time requirements for posting validated meter reading data on the MDMA server.

(a) Interval Meters:

- (i) \_\_\_% of all usage data must be available by \_\_\_\_\_ on the scheduled reading date of the meter.
- (ii) \_\_\_% by \_\_\_\_\_ day after the scheduled meter reading date.
- (iii) \_\_\_% by \_\_\_\_\_ day after the scheduled meter reading date.

(b) Non-Interval (Monthly) Data:


- (i) 90% of all monthly meter readings must be available by 6:00 AM on the 1st working day after the scheduled meter reading date.
- (ii) 9\_% must be available by 6:00 AM on the 2nd working day after the scheduled meter reading date.
- (iii) 99.99% must be available by 6:00 AM on the 4th working day after the scheduled meter reading date.

(3) Retention and Format For Meter Reading Data

- (a) Meter reading data will remain posted on the MDMA server for 3 days and will be recoverable for at least 3 years.
- (b) Meter reading data posted to the MDMA server will be stored in the MDMA data exchange format as approved by the CPUC.



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N. BILLING SERVICE OPTIONS AND OBLIGATIONS ~~AGREE/DISAGREE~~ 

***Alliance Position***

(1) Introduction

~~Customers who elect Direct Access will be able to choose~~ An ESP has the right to select from three billing service options: (1) Consolidated UDC Billing, (2) if offered by the ESP, Consolidated ESP Billing (partial or, with the UDC's approval and consent, full), or (3) if offered by the ESP, Separate UDC/ESP Bills. In the absence of a customer's an ESP's election of one of the three billing service options described below, option (3), Separate UDC/ESP Bills, will be the default billing service option.

***SDG&E Position***

~~Customers who elect Direct Access will be able to choose from three billing service options: (1) Consolidated UDC Billing, (2) if offered by the ESP, Consolidated ESP Billing or (3) if offered by the ESP, Separate UDC/ESP Bills. In the absence of a customer's election of one of the three billing service options described below, option (3), Separate UDC/ESP Bills, will be the default billing service option.~~

In addition, this section states the UDC and ESP obligations for billing information and legal and safety notices in section (4) herein.

(2) Consolidated UDC Billing

(a) Description

The customer's authorized ESP will send its bill to the UDC. The UDC will in turn send a consolidated bill, containing both the UDC and ESP charges, to the customer.

(b) UDC Obligations

- (1) The UDC will calculate the UDC charges and send the bill either by mail or electronic means to the customer. The UDC will include ESP charges on the bill. The UDC is not responsible for computing or determining the accuracy of the ESP charges on the bill.

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- (2) The UDC bill will include a summary of ESP charges and may provide any billing-related details of ESP charges, including the ESP's telephone number. The ESP bill may be printed with the UDC bill, or electronically transmitted exactly as provided by the ESP.
- (3) The UDC will process customer payments and transfer amounts paid toward ESP charges to the ESP when the payments are received as specified in Section ~~O~~ P.

### (c.) ESP Obligations

- (1) The ESP may offer consolidated billing services to Direct Access customers they serve once a that billing service arrangement has been selected ~~signed and included~~ in the UDC-ESP Service Agreement.
- (2) The ESP will submit the necessary billing information to facilitate billing services under this billing option according to the UDC's billing schedule and by service account.
- (3) The ESP will provide the UDC with a summary of ESP charges by electronic transmittal or other means acceptable to the UDC. The ESP may provide billing-related details of ESP charges on a separate page which will be included in the consolidated bill if transmitted with the summary charge. ESP charges which are not transmitted as required will not be included in the consolidated bill.

### (d) Timing Requirements

- (1) Bills under this option will be rendered once a month. Nothing contained in this Section shall limit the UDC's ability to render bills more frequently consistent with the UDC's existing practices. However, ESP charges will only need to be calculated based on monthly billing periods.

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- (2) Except as provided in paragraph (d)(1) above, the ~~The~~ UDC will require that ESP and UDC charges be based on the same billing period data to avoid any confusion concerning these charges.
- (3) ESP charges must be received by the UDC the day following the UDC's scheduled meter reading date according to the provisions in Section M, Meter Reading Data Obligations. If billing charges have not been received from the ESP by this date, the UDC will render the bill for UDC charges only, without ESP charges. The ESP must wait until the next billing cycle, or send a separate bill to the customer for ESP charges. ~~{Timing will be updated pursuant to a CPUC ruling on Meter and Data Communications workshop report}~~

- (3) Consolidated ESP Billing - **~~{AGREE/DISAGREE}~~**

**Alliance Position**

~~Customers~~ ESPs electing this billing option may choose partial or, with the UDC's approval and consent, full consolidated billing, as described below.

Partial Consolidated ESP Billing

**SDG&E Position**

~~Customers electing this billing option may choose ESP consolidated billing, as described below.~~

**ESP Consolidated Billing**

- (a) Description

The UDC will calculate and send its bill to the ESP. The ESP will send a consolidated bill to the customer. The ESP will be obligated to provide to the customer detailed UDC charges to the extent that the ESP receives such detail from the UDC. The ESP is not responsible for the accuracy of UDC charges.

- (b) UDC Obligations

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- (1) The UDC will calculate all UDC charges once a month and convey these charges to the ESP to be included on the ESP consolidated bill or otherwise provided to the customer pursuant to section C(5), below.
  - (2) The UDC will provide the ESP with a summary of UDC charges by electronic transmittal or other means which enables the ESP to prepare the customer's bill in a timely manner, although the ESP may bill the customer on any interval agreeable to the customer. The UDC may provide billing-related details of UDC charges on a separate page which will be provided to the customer. UDC charges which are not transmitted to the ESP as required will not be included in the consolidated bill.
  - (3) UDC charges will be calculated based on existing UDC billing cycles regardless of which party provides the meter reading. UDC charges will be conveyed to the ESP electronically or by other means acceptable to the ESP and UDC.
- (c) ESP Obligations
- (1) The ESP may offer consolidated billing services to Direct Access customers they serve once a billing service arrangement has been signed and included in the UDC-ESP Service Agreement.
  - (2) The ESP bill will include a summary of UDC charges and may provide any billing-related details of UDC charges, either on the consolidated bill or pursuant to section (5), below. The UDC bill may be printed separately with the ESP bill or electronically transmitted.
  - (3) The ESP will prepare the bill and include both ESP and, subject to section (5) below, UDC charges. In addition, the ESP will process customer payments and handle its own collections responsibilities. Under this billing option, ESPs must pay all undisputed UDC charges due to the UDC regardless of whether the customer has paid the ESP. The ESP must include all UDC charges on the ESP consolidated bill.

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- (4) The ESP has no obligations regarding the accuracy of UDC charges calculated by the UDC or for related disputes. Disputed charges will be handled according to CPUC procedures.
- (5) Subject to the limitations of this section and with the written consent of the customer, the ESP may offer customers customized billing cycles or payment plans which permit the customer to pay the ESP for UDC charges in different amounts for any given billing period than the UDC charges to the ESP for that period. Such plans will not, however, affect in any manner the obligation of the ESP to pay the UDC charges to the UDC as billed by the UDC. Further, such plans must ensure that the charges as billed by the UDC are provided to the customer as soon as practicable and that the customer's payment of UDC charges is adjusted such that over a reasonable time, which shall not exceed one year, the customer pays no more than the UDC charges as billed by the UDC. Upon request, the ESP shall identify to the UDC any service accounts with such customized billing arrangements and provide a summary description of the arrangement as it pertains to the UDC charges.

### (d) Timing Requirements

- (1) ESPs may render bills more or less frequently than once a month. However, the UDC will continue to bill the ESP each billing cycle period for the amounts due by the customer for that billing month, provided that with the ESP's approval, the UDC may bill the ESP more frequently consistent with the UDC's existing practices.
- (2) The UDC will convey the billing information by service account to the ESP the day following the UDC's schedule meter reading date according to provisions in Section M, Metering Reading Data Obligations. Meter reading data will be required on the same schedule as existing UDC billing cycles. If the UDC fails to provide the UDC charges to the ESP by this date, the ESP may render the bill without the UDC charges included, and the UDC will either wait until the next billing period or send a separate bill to the customer for those charges. ~~[Timing will be updated pursuant to a CPUC ruling on Meter and Data Communications workshop report]~~

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- (3) The ESP is not required to estimate UDC charges if charges are not received nor to delay the ESP billing.

Full Consolidated ESP Billing

~~**[AGREE/ DISAGREE]**~~

**~~Alliance Position — to keep this section~~**  
**~~SDG&E Position — to delete this section~~**

(a) Description

Subject to the UDC's approval and consent, the ESP will read the meter, calculate both the UDC and ESP charges and bill the customer. The ESP will detail the UDC charges in conformance with the UDC specifications. The ESP is responsible for the accuracy of the UDC charges. This option is applicable for all customer accounts for which the ESP reads the meter.

(b) UDC Obligations

The UDC will approve and consent to the provision of this Full ESP Consolidated billing for any ESP which demonstrates the possesses the demonstrable capability to replicate UDC charges, to the satisfaction of the UDC, based upon UDC specifications. The UDC will provide the ESP with the billing factors and procedures necessary for the ESP to calculate the UDC charges. The UDC charges will be calculated based on the ESP's meter reading and billing schedules.

(c) ESP Obligations

- (1) The ESP may perform Full ESP Billing services ~~to~~ for Direct Access customers they serve once the billing service arrangement has been signed and included in the UDC-ESP Service Agreement.
- (2) The ESP will calculate the UDC charges in accordance with approved tariffs and UDC specifications. The ESP bill will include a summary of UDC charges including any billing-related

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details of UDC charges and CTCs ~~charges~~. The UDC bill may be printed separately with the ESP bill or electronically transmitted to the customer. The ESP will furnish the UDC a report detailing the UDC portion of the ESP's bill in paper or electronic form.

- (3) The ESP will prepare the bill and include both ESP and UDC charges, process customer payments, and handle its own collection responsibilities. Under this option the ESP must pay all undisputed UDC charges to the UDC regardless of whether the customer has paid the ESP. The ESP must include all UDC charges on the ESP Full Service bill.

### (d) Timing Requirements

- (1) ESPs may render bills more or less frequently than once a month. However, the amounts due the UDC will be remitted monthly.
- (2) The ESP will convey the amounts due by service account to the UDC according to provisions in Section M, Meter Reading Data Obligations. The ESP's meter reading schedule may result in a change in the UDC's billing schedule. If necessary, a pro rated bill may be required to conform the customer's payments to the new schedule.
- (3) The ESP is responsible for correctly calculating UDC charges. If underpayments are the result of ESP errors, the ESP is responsible for paying applicable late charges on the underpayment amounts.

### (4) Separate UDC/ESP Bills ~~(Default Billing)~~

#### (a) Description

The UDC and the ESP will separately send their bills directly to the customer.

#### (b) UDC Obligations

- (1) The UDC will calculate UDC charges, prepare the UDC bill, and send the UDC bill to the customer by electronic or other means.

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The billing method is the sole responsibility of the UDC and its customers.

- (2) The UDC does not have any obligations regarding the accuracy of ESP charges or related payment disputes. Accurate and timely meter reading data must be shared between the ESP and UDC.

### (c) ESP Obligations

- (1) The ESP will calculate the ESP charges, prepare the ESP bill, and send the ESP bill to the customer by electronic or other means. The billing method is completely independent of the billing method selected by the UDC.
- (2) The ESP has no obligations regarding accuracy of UDC charges or related payment disputes. Accurate and timely meter reading data must be shared between the ESP and the UDC.

### (d) Timing

- (1) Meter reading data is required by the UDC on the scheduled meter reading date which conforms to existing UDC billing cycles under this billing option.

## (5) Billing Information and Inserts

### (a) Identify UDC and ESP Charges

The UDC bill, at a minimum, will identify UDC charges as specified by the CPUC or its codes. If the customer elects the consolidated UDC billing option, the UDC bill will identify, at a minimum, two sets of charges: one for UDC services and another for ESP energy services. The UDC will provide bills and notices both electronically or manually, depending upon the UDC's agreement with the ESP.

### (b) Required Legal and Safety Notices



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All UDC customers, including Direct Access customers, will receive mandated legal and safety notices, and the UDC will be responsible for the creation of these notices. If the ESP is providing consolidated billing services, the UDC will make available these notices to the ESP for distribution to the customer or, at the ESP's request, in electronic format to the ESP for production and communication to electronically-billed customers.

(c) UDC Obligations under Consolidated UDC Billing

The UDC will design, print and insert these notices in mailed consolidated UDC bills. The UDC may also enclose UDC-related bill inserts in consolidated UDC billing as permitted by CPUC regulations.

(d) ESP Obligations under Consolidated UDC Billing

The ESP may include any information directly related to the calculation or understanding of ESP charges directly in the bill but may not include any text on the separate detail page(s) which is not specifically related to the charges or their explanation.

(e) UDC Obligations under Consolidated ESP Billing

The UDC will design, print and deliver mandated safety and legal notices to the ESP in standard size if the ESP renders bills by mail. If the ESP renders bills electronically, the UDC will either provide the printed version or electronically transmit these notices to the ESP for communication to electronically-billed customers at the ESP's option.

(f) ESP Obligations under Consolidated ESP Billing

The ESP will be required to inform their billing customers of any mandated legal and safety notices when billed by mail. At ~~its~~ ~~their~~ discretion, the ESP may request the UDC to provide a separate mailing of such notices at a cost, specified in Schedule        ~~DA~~. For electronically-billed customers, the ESP may transmit such notices by mail or electronically at ~~its~~ ~~their~~ option.

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(g) UDC Obligations under Separate UDC/ESP Bills

The UDC will continue to mail mandated safety and legal notices in the billing envelope and may use the billing envelope as it does in current practice for providing information to all UDC customers, including Direct Access customers, equally.

(h) ESP Obligations under Separate UDC/ESP Bills

The ESP has no obligation for UDC-mandated safety and legal notices under this option.

(6) Billing Adjustments for Meter Error and Billing Error

(a) Adjustment of Bills for Meter Error

Meter error is the incorrect registration of the customer's electrical usage resulting from a malfunctioning or defective meter. Meter error can result from a fast meter, a slow meter, or a non-registering meter. Meter error is defined in Rule [17].

(i) Consolidated UDC Bill

If the UDC is providing Consolidated UDC Billing for a Direct Access Service Account affected by meter error, the UDC will adjust the bill for the Service Account, calculated as provided in Rule [17], to the extent those charges were affected by the meter error.

(ii) Consolidated ESP Bill

(A) If an ESP is providing Consolidated ESP Billing for a Direct Access Service Account affected by meter error, the UDC will transmit adjusted UDC and TTA Charges, calculated as provided in the Rule [17], to the ESP. The customer will be solely responsible for obtaining refunds of ESP electric power overcharges attributable to a fast meter from its current and prior ESPs, as appropriate.

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(B) Within fifteen (15) days after UDC transmits the adjusted charges for a slow or non-registering meter, the ESP may either:

Pay utility the adjusted charges in accordance with the ESP Service Agreement, and assume responsibility for issuing a bill reflecting the adjusted charges to, and collecting the adjusted charges from, the DA Customer, or

Submit a DASR to the UDC to change the affected DA Service Account to the separate UDC/ESP Billing option. After approval of the DASR requesting such change, the UDC will have the responsibility for issuing an adjusted bill to the Customer and collecting amounts owing from the Customer in accordance with this rule and the utility's Rule [17].

(iii) Separate UDC/ESP Billing

The UDC will adjust its bill for meter error pursuant to Rule [17] for UDC and TTA charges. The customer will be solely responsible for obtaining refunds of both current and prior ESP electric power overcharges attributable to a fast meter from its current and prior ESPs, as appropriate.

(b) Adjustment of Bills for Billing Error

(i) Billing error is defined in Rule [17].

(ii) A customer shall not be entitled to a credit adjustment for a billing error involving the failure of the ESP and/or the customer to notify the UDC of changes in the customer's connected load, equipment or operation, or failure of the ESP or customer to take advantage of any noticed rate option or condition of service for which the customer becomes eligible subsequent to the date of application for Direct Access service.

(iii) The UDC will adjust its bills under the Separate UDC/ESP or Consolidated UDC Billing options for billing error pursuant to Rule [17]. The UDC will adjust its bill to the ESP under the Consolidated ESP Billing option for billing error pursuant to Rule [17] for UDC and TTA Charges.

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Within fifteen (15) days of the adjusted bill's transmittal by the UDC, the ESP may either assume responsibility for the adjusted charges or submit a DASR to change the affected Service Account to the separate billing option.

### (7) Unauthorized Usage of Energy

- (a) Unauthorized energy use is defined in Rule [17].
- (b) Once evidence of unauthorized energy use is detected, the investigations of unauthorized use of energy may be conducted by the UDC in accordance with Rule [17] regardless of ownership of the meter or provision of billing or metering services. Customers, ESPs, and their agents are required to preserve evidence of any unauthorized use and to cooperate in such investigations.
- (c) Once evidence of unauthorized use by an end-use customer has been detected, the UDC shall notify the ESP, who in turn shall remedy the situation, or electric service to end-user shall be terminated in accordance with paragraph (g) below. Once evidence of unauthorized use by an ESP has been detected, the UDC may terminate provisioning of services to the ESP in accordance with paragraph (g) below.
- (d) At the conclusion of its investigation, if the UDC determines there has been unauthorized use, the UDC shall have the legal right to recover, from any customer, ESP, or other person who caused or benefited from such unauthorized use, the total estimated amount of the undercharge, including the Direct Access electric power component, for the full period of such unauthorized use. The utility will calculate the amount of the undercharges in accordance with Rule [17] and as otherwise provided by law.
- (e) The UDC will issue adjusted bills for unauthorized use (including but not limited to all the costs and charges referenced in this Section) to the customer in accordance with Rule [17] (or to the ESP in the case of Consolidated ESP Billing).
- (f) Whenever possible, upon completion of the UDC's investigation, the Customer, ESP, or other person being billed for an unauthorized use adjustment will be advised of the UDC's claim. The Customer, ESP, or other person being billed will be given an opportunity to respond to the claim.

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(g) The UDC retains its right to collect from the ESP or the customer causing or benefiting from unauthorized use associated costs resulting from the unauthorized use as provided in Rule [17], or otherwise allowed by law.

### O. PAYMENT AND COLLECTION TERMS

#### (1) Under Consolidated UDC Billing

- (a) The UDC will prefer but not require electronic payment services for electronically-billed ESPs. The UDC will accept cash, check or electronic payments under this billing option. The UDC is required under D.97-05-039 to pay the ESP the amounts paid to the UDC for ESP charges only after the payment is received. Payments will be transferred to the ESP specifying the amount paid by each specific service account or group of service accounts if the customer is Summary Billed.
- (b) Upon receipt of the UDC's payment, the ESP is responsible for promptly and accurately posting the payment to the customer's service account. The ESP will also be responsible for any follow-up inquiries either with the UDC or customer if there is question concerning the posting of that payment amount.
- (c) The UDC must remit payments to the ESP only for the amounts paid by the Direct Access customer for payment of ESP charges. Payments are due on or before the later of:
  - (1) 17 days after the bill was rendered to the customer, or
  - (2) The next business day after the payment is received from the customer.
- (d) The UDC will not forward any amounts owed to the ESP that have not been received from the customer. The UDC will process payments, post UDC charges paid to customer service accounts, and transfer funds owed the ESP to the ESP. On the billing statement for the following month, the UDC will debit to the ESP any amounts resulting from returned payments and assess returned payment charges (i.e., a charge for each returned payment) to the appropriate customers.
- (e) The ESP has no payment obligations for customer payments under consolidated UDC billing services. However, the ESP must remit payment for any charges, approved by the CPUC, for services provided

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them by the UDC within the terms of service as specified in the UDC-ESP Service Agreement with the UDC. Sundry charges will be considered past due 30 days after the date the bill is rendered. The ESP is required to settle any disputes of ESP charges with the customer.

- (f) The customer is obligated to pay the UDC for all UDC and ESP charges consistent with existing tariffs.
- (g) The customer must notify the UDC of any disputed UDC charges; otherwise, any outstanding balance will be handled as a late payment. Customer disputes of with ESP charges must be directed to the ESP, and customer disputes of with UDC charges must be directed to the UDC.
- (h) If the customer disputes any UDC charges, it shall nevertheless pay the amount billed; provided, however, that the customer may, at its election, pay that portion of the charges that the customer disputes to the CPUC in accordance with Rule[s] [9 and 11 or 10]. If the customer disputes any ESP charges, the provisions of its agreement with the ESP shall control. The UDC will forward to the ESP amounts paid to cover ESP charges.

### (2) Under Consolidated ESP Billing

- (a) Upon receipt of the ESP's payment, the UDC will be responsible for promptly and accurately posting the payment to the customer's account. The UDC will also be responsible for any follow-up inquiries with the ESP if there is question concerning the payment amount.
- (b) The ESP is required by D.97-05-039 to pay amounts owed to the UDC for UDC charges whether or not the customer has paid the ESP. Payment is due in full from the ESP within 17 days from the date UDC charges are rendered to the ESP regardless of whether the customer has paid.
- (c) The UDC has no payment obligations for customer payments under consolidated ESP billing services. However, payments of any charges, as determined by separate agreement between the ESP and the UDC, for services provided by the ESP will be considered past due 30 days after the sundry bill is rendered to the UDC.
- (d) The customer is obligated to pay the ESP for all UDC and ESP charges according to the terms established between the ESP and the customer.
- (e) If any charges are disputed, the customer must notify the ESP of the disputed amount. Customer disputes of ESP charges must be directed to

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the ESP, and customer disputes of UDC charges, except disputes pertaining to the ESP's estimate of the UDC charges, must be directed to the UDC.

- (f) If the ESP disputes any UDC charges, it shall nevertheless pay the amount billed; provided, however, that the ESP may, at its election, pay that portion of the charges that the ESP disputes to the CPUC in accordance with Rule [10]. If the customer disputes any UDC charges, it shall address such dispute through the ESP, and may pursue the dispute in accordance with Rule [10].

### (3) Under Separate UDC/ESP Bills

- (a) The UDC is responsible for payment of miscellaneous charges imposed by the ESP, as per their service agreement with the UDC for Direct Access services, but the UDC has no payment obligations with respect to customer charges.
- (b) The UDC has no payment or collection obligations to the ESP for customer payments of ESP charges. However, the UDC must remit, within 30 days, payment of any charges due the ESP for services provided by the ESP in accordance with the service agreement. A late payment penalty may be assessed on past due charges.
- (c) The ESP has no payment or collection obligations to the UDC for customer payments of UDC charges. However, the ESP must remit, within 30 days, payment of any charges, approved by the CPUC, due the UDC for services provided by the UDC. If authorized by the CPUC, a late payment penalty may be assessed on past due charges.
- (d) The customer must remit payment in full to the UDC for UDC charges due within the terms of sale as provided for in CPUC rules.
- (e) If the customer disputes any UDC charges, it shall nevertheless pay the amount billed; provided, however, that the customer may, at its election, pay that portion of the charges that the customer disputes to the CPUC in accordance with Rule [10]. If the customer disputes any ESP charges, the provisions of its agreement with the ESP shall control.

### P. LATE OR PARTIAL PAYMENTS, AND UNPAID BILLS

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### (1) Under Consolidated UDC Billing

- (a) The UDC ESP is responsible for collecting the unpaid balance of all ESP charges from customers, sending notices informing customers of unpaid ESP balances, and taking the appropriate actions to recover the unpaid amounts owed the ESP. ~~The UDC has the same delinquent collection responsibilities for UDC charges only.~~
- (b) Partial payments by customers will be allocated first to the TTA, then to other UDC charges for which delinquency may result in disconnection, and then ~~prorate~~ the balance will be prorated between the ESP and UDC charges.
- (c) Undisputed overdue balances owed the UDC will be considered late and subject to UDC late payment procedures.
- (d) CPUC rules will apply to late or non-payment of UDC charges by the customer.

### (2) Under Consolidated ESP Billing

- (a) The ESP is responsible for collecting both unpaid ESP and UDC charges, sending notices informing customers of unpaid ESP and UDC balances, and taking appropriate actions to recover the amounts owed. The UDC will not assume any collection obligations under this billing option.
- (b) The UDC will hold the ESP liable for any late payments, or unpaid bills. Unpaid, undisputed overdue balances owed the UDC will be considered late and subject to late payment fees and procedures and the provisions of Section Q.
- (c) The UDC will apply the same terms applicable to commercial accounts under default UDC services to service accounts utilizing consolidated ESP billing services. The UDC will notify the ESP if payment of UDC charges has not been received within 17 days of the date delivered to the ESP. ~~and, if authorized by the CPUC, may assess a late payment charge for the balance due. This late fee will apply to the balance owed, including unpaid late fees, in each billing month. If a field call is required to notify the ESP regarding, or collect, any unpaid balances, a charge may be assessed if approved by the CPUC.~~



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### (3) Under Separate UDC/ESP Billing

- (a) The UDC and the ESP are responsible for collecting their respective unpaid balances, sending notices to customers informing them of the unpaid balance, and taking appropriate actions to recover their respective unpaid balances. Customer disputes with ESP charges must be directed to at the ESP, and customer disputes with UDC charges must be directed to at the UDC. Late fees and fees for collections may be charged by the UDC as approved by the CPUC.
- (b) Late payment of UDC charges by customers will be handled in accordance with applicable CPUC rules.

## Q. INVOLUNTARY SERVICE CHANGES.

### (1) Service Changes

The customer may have service of electricity, billing, or metering from an ESP changed involuntarily in the following circumstances:

- (a) The ESP Has Been Decertified by the CPUC or receives a CPUC order that otherwise prohibits the ESP from serving that customer;
- (b) The ESP has materially failed to meet its obligations under the terms of the Service Agreement (including applicable tariffs) so as to constitute an event of default and the UDC exercises a contractual right to terminate the agreement;
- (c) The ESP has materially failed to meet its obligations under the terms of the Service Agreement (including applicable tariffs) so as to constitute an event of default and the UDC exercises a contractual right to change billing options;
- (d) The ESP has materially failed to meet its obligations under the terms of the Service Agreement (including applicable tariffs) so as to constitute an event of default and the UDC exercises a contractual right to change metering options;
- (e) The ESP ceases to perform by failing to provide schedules through a Scheduling Coordinator wherever such schedules are required.

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(f) The customer fails to meet its direct access requirements and obligations under the utility's rules and tariffs.

~~(g)~~ Notices of involuntary service changes or termination in Direct Access will be sent to the ESP and to each customer under contract as described in this section Q, and to the CPUC.

### (2) Change of Service Election In Exigent Circumstances

In the event the UDC finds that an ESP or the customer has materially failed to meet its obligations under this tariff or the UDC-ESP Service Agreement such that the UDC seeks to invoke its remedies under this section ~~(Q)~~ (other than a termination of ESP consolidated billing under section ~~(Q.)~~(4) or metering under section ~~(Q.)~~(5)), and the failure constitutes an emergency (i.e. the failure poses a substantial threat to the reliability of the electric system or to public health and safety or the failure poses a substantial threat of irreparable economic or other harm to the UDC or the customer), or the failure relates to ESP's unauthorized energy use, then the UDC may initiate a change, or, in some cases, terminate, a customer's service election, or an ESP's ability to provide certain services under Direct Access. In such case, the UDC shall initiate the change or termination by preparing a DASR, but the change or termination may be made immediately notwithstanding the applicable DASR processing times set forth in this tariff. The UDC shall provide such notice and/or opportunity to cure the problem to the ESP and/or the affected customer as is reasonable under the circumstances of this section ~~the emergency~~, if any is reasonable. The ESP or the affected customer shall have the right to seek an order from the CPUC restoring the customer's service election and/or the ESPs ability to provide services. ~~The UDC shall be entitled to a public hearing before the CPUC should it contest issuance of such an order.~~ Unless expressly ordered by the CPUC, these provisions do not disconnect electric service provided to the customer.

### (3) Change of Service Election Absent Exigent Circumstances

In the event the UDC finds that an ESP has materially failed to meet its obligations under this tariff or the UDC-ESP Service Agreement such that the UDC seeks to invoke its remedies under this section ~~(Q.)~~ (other than a termination of consolidated ESP billing under section Q.~~(4)~~ or metering under section ~~(Q.)~~(5)), but the failure does not constitute an emergency (as defined in section Q.~~(21)~~) or involve ESP's unauthorized energy use, the UDC shall notify the ESP and the affected customer of such finding in writing stating specifically:

(a) The nature of the alleged non-performance;

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- (b) The actions necessary to cure it;
- (c) The consequences of failure to cure it and the remedy the UDC proposes to invoke in the event of a failure to cure; and
- (d) The name, address and telephone number of a contact person at the UDC authorized to discuss resolution of the problem.

The ESP shall have 30 days from receipt of such notice to cure the alleged non-performance or reach an agreement regarding it with the UDC. If the problem is not cured or an agreement is not reached following this 30 day period, the UDC may initiate the DASR process set forth in this tariff to accomplish the remedy set forth in the notice; provided that the UDC shall suspend the exercise of such remedy if, before the end of the cure period, the ESP has filed an application with the CPUC requesting an order from the CPUC that the ESP is entitled to continue the Service Agreement and the UDC is not entitled to exercise the remedy it has identified in its notice. The status of the ESP shall not change pending the CPUC's review of the UDC's request provided that an emergency, as described in Section Q.(2)† does not arise. Unless expressly ordered by the CPUC, these provisions do not disconnect electric service provided to the customer. The UDC's action to defer the exercise of its remedies in accordance with this section does not constitute a waiver of any rights.

### (4) Termination of ~~ESP~~ Consolidated ~~ESP~~ Billing

Consolidated ESP billing services will be terminated under the following circumstances. (Among other things, this section describes the notice and opportunity to cure provisions applicable to defaults that permit a remedy of terminating ESP consolidated billing):

- (a) If the UDC finds that the information provided by the ESP in the UDC-ESP Service Agreement is materially false, incomplete, or inaccurate; the ESP attempts to avoid payment of CPUC-authorized UDC charges; or the ESP files for bankruptcy, fails to have a bankruptcy proceeding filed against it dismissed within sixty (60) calendar days, admits insolvency, makes a general assignment for the benefit of creditors, or is unable to pay its debts as they mature, or has a trustee or receiver appointed over all or a substantial portion of its assets, customers will be notified that consolidated ESP billing services will be terminated, and will be switched to separate UDC billing as promptly as possible.

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- (b) If the ESP does not pay the UDC (or dispute payment pursuant to the procedures set forth herein) the full amount of all UDC and ~~FTTA~~ charges by the applicable past due date, the UDC shall notify the ESP of the past due amount within two (2) days of the applicable past due date. ~~If the full~~ ~~and such~~ amount has not been received by the UDC (or properly disputed) within seven (7) days of the applicable past due date, the ESP's customers and the ESP will be notified on approximately the 24<sup>th</sup> day following the date the bill was rendered to the ESP that consolidated ESP billing services will be terminated, and that they will be switched to separate UDC billing on the first regular scheduled meter reading date for each the customer following approximately 30 days after the bill was rendered.
- ~~(c) If during any two calendar months in any 12 month period, the ESP has not met its payment obligations to the UDC (e.g., the ESP has been late with one or more payments during each month), the UDC will notify the ESP and its customers of the delinquency. The UDC will inform customers that if the ESP fails to meet its payment obligations a third time in the same 12 month period, the UDC will no longer allow that ESP to engage in consolidated ESP billing services in the UDC's service territory. Following the third instance of late ESP payments, customers will be notified on approximately the 24<sup>th</sup> day following the date the bill was rendered to the ESP that consolidated ESP billing services will be terminated, and will be switched to separate UDC/ESP billing on the first regular scheduled meter read date for the customer following approximately 30 days after the bill was rendered.~~
- (cd) If the ESP fails to comply within at any time with credit requirements set forth in Section S no more than 15 calendar days of the transmittal of a written notice from the UDC of any additional or increased credit requirements as set forth in Section S, the ESP's customers and the ESP will be notified on approximately the 24th day following the date of transmittal that consolidated ESP billing services will be terminated, and that they will be switched to separate UDC billing on the first regular scheduled meter reading date for the each customer.
- (e) Upon termination of consolidated ESP billing pursuant to this section Q, the UDC may deliver a separate bill for all UDC charges which were not previously billed by the ESP. The ESP or the affected customer shall have the right to seek an order from the CPUC restoring the ESP's eligibility to engage in consolidated ESP billing. ~~The UDC shall be entitled to a public hearing should it contest issuance of this order.~~

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(f) At any time not less than 6 months after termination of consolidated ESP billing pursuant to this section Q, the ESP's eligibility to engage in consolidated billing services shall be reinstated upon a reasonable showing by the ESP that the problems causing revocation of its consolidated billing right have been cured, including payment of any late charges and re-establishment of compliance with credit requirements under section S.

(5) Termination of ESP Metering Services

The UDC will terminate an ESP's eligibility to provide metering services in the UDC's service territory if the ESP fails to comply with industry-accepted standards approved for the UDC by the CPUC for metering services. The UDC shall provide the ESP with 15 days written notice prior to such termination. ~~An ESP failures to comply is defined in Section H, Metering Services. The ESP or the affected customer shall have the right to seek an order from the CPUC restoring the ESP's eligibility to provide metering services. The UDC is entitled to a public hearing should it contest issuance of such an order.~~

(6) Burden of Proof Before CPUC

In any case before the CPUC the party bearing the burden of going forward and the party bearing the burden of proof shall be established in the manner normally established at the CPUC.

(7) Action in the Event of Termination

Upon termination of ESP Direct Access services pursuant to this section Q, the customer will be returned to default UDC services, unless the customer has previously selected another ESP under the procedures set forth in section E. The customer shall thereafter have the right at any time to select another ESP pursuant to section E.

(8) Prohibition

The UDC is prohibited from using any of the involuntary service changes in an anti-competitive manner.

R. SERVICE DISCONNECTIONS AND RECONNECTIONS

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### (1) Consolidated UDC Billing

- (a) The UDC will notify the customer of the UDC's right to disconnect electric service for the non-payment of UDC charges pursuant to electric Rule 8. The customer, and not the UDC, is responsible for contacting the ESP in the event it receives notice of late payment or service termination from the UDC for any of its DA Service Accounts. If a customer has been disconnected, and is not reconnected within two days, the UDC will promptly notify the ESP. To the extent authorized by the CPUC, a service charge will be imposed on the customer if a field call is performed to disconnect electric service.
- (b) The UDC will not disconnect electric service to the customer for the non-payment of ESP charges. In the event of non-payment of ESP charges by the customer, the ESP may submit a DASR requesting transfer of the service account to bundled UDC service according to section E. ~~In the event of a backlog in DASR processing, the UDC will give priority to a DASR requesting transfer of a service account to bundled UDC service because of non payment. Such priority shall not supersede the priority for renewables pursuant to PU Code section 365(b)(2).~~
- (c) The UDC will reconnect electric service for a CPUC-authorized service fee when the criteria for reconnection, as specified in Rule 11, Discontinuance of Service, have been met.

### (2) Consolidated ESP Billing

- (a) The UDC will not disconnect electric service to the customer for either the non-payment of ESP charges by the customer, or the non-payment of UDC charges by the ESP. In the event of non-payment of ESP charges by the customer, the ESP may submit a DASR requesting transfer of the service account to bundled UDC service according to section E. ~~In the event of a backlog in DASR processing, the UDC will give priority to a DASR requesting transfer of a service account to bundled UDC service because of non payment. Such priority shall not supersede the priority for renewables pursuant to PU Code section 365(b)(2).~~
- (b) If an ESP fails to pay in full the charges that the UDC has transmitted to it (consisting of the UDC charges and the FTTA charges) by the applicable past due date, the provisions of Section Q.(4)(b) of this rule shall govern. within seventeen (17) days of the transmittal, the UDC will transmit a notice of late payment to the ESP. If the ESP fails to pay the

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~~amounts past due in full within seven (7) days of the transmittal of the late payment notice, the UDC shall convert all of the Service Accounts served under the ESP's Consolidated Billing option to the separate UDC/ESP billing option. Notwithstanding anything to the contrary in electric Rule 11, Discontinuance of Service, the UDC shall have no obligation to enter into an Amortization Agreement with the ESP for payment terms.~~

- (c) In accordance with CPUC rules, the UDC has the right to disconnect electric service to the customer for the non-payment of prior UDC closing bills or any past due charges by the customer, and evidences of safety violations, energy theft, or fraud, by the customer. If a customer has been disconnected, and is not reconnected within two days, the UDC will promptly notify the ESP. To the extent authorized by the CPUC, a service charge will be imposed on the customer if a field call is performed to disconnect electric service.
- (d) The UDC will reconnect electric service for a CPUC-authorized service fee when the criteria for reconnection, as specified in Rule 11, Discontinuance of Service, have been met.

### (3) Separate UDC/ESP Bills

- (a) In accordance with CPUC rules, the UDC may disconnect electric service to the customer for the non-payment of UDC charges by the customer, but the UDC will not disconnect electric service to the customer for the non-payment of ESP charges. If a customer has been disconnected, and is not reconnected within two days, the UDC will promptly notify the ESP. In the event of non-payment of ESP charges by the customer, the ESP may submit a DASR requesting transfer of the service account to bundled UDC service according to section E. ~~In the event of a backlog in DASR processing, the UDC will give priority to a DASR requesting transfer of a service account to bundled UDC service because of non-payment. Such priority shall not supersede the priority for renewables pursuant to PU Code section 365(b)(2).~~ In the event of non-payment of UDC charges, and to the extent authorized by the CPUC, a service charge will be imposed on the customer if a field call is performed to disconnect electric service.
- (b) The UDC will reconnect electric service for a service fee when the criteria for reconnection, as specified in Rule 11, Discontinuance of Service, have been met.



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### S. CREDIT REQUIREMENTS

#### (1) Under Consolidated UDC Billing

If the UDC performs consolidated billing services, the UDC may require the ESP to establish its creditworthiness through evaluations, deposits, or other security in the manner described in Section S.(2), to cover CPUC-approved charges incurred as a result of Direct Access participation. That is, the creditworthiness only applies to the UDC charges that are billed directly to the ESP.

#### (2) Under Consolidated ESP Billing

If the ESP performs consolidated billing services, the UDC will require the ESP to establish its creditworthiness to cover CPUC-approved charges incurred as a result of Direct Access participation. The ESP may establish its creditworthiness through any one of the following. Upon the establishment of such creditworthiness, the UDC upon request will refund, in accordance with CPUC requirements, the customer's security deposits then being held to secure payment of those energy services being assumed by the ESP.

##### (a) Credit Evaluation

An ESP with a demonstrable current credit rating of Baa2 or higher from Moody's or BBB or higher from Standard and Poor's, Fitch or Duff & Phelps, is deemed to be creditworthy unless the UDC determines that a material change in the ESP's creditworthiness has occurred. ~~In other cases, t~~ The UDC may requires ESPs to complete a credit application including financial information reasonably necessary to establish credit. The credit-worthiness evaluation may will be conducted by an outside credit analysis agency, determined by the UDC, with final credit approval granted by the UDC. This evaluation will be completed within 10 business days. Credit reports will remain strictly confidential between the credit analysis agency and the UDC. A credit application processing fee, as approved by the CPUC, may be charged to offset the cost of determining the ESP's credit-worthiness.

##### (b) Security Deposits



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The ESP may submit and maintain a cost-based security deposit in lieu of submitting to or being qualified under a credit-worthiness evaluation. The amount of the security deposit required to establish credit will be twice the estimated maximum monthly bill for UDC charges, where such estimate is based on the last 12 months of historical usage. The initial value of the security deposit will be estimated by the ESP to cover its expected customer base and will be adjusted as necessary from time to time to meet the security requirements based on changes in the ESP's customer base. ~~ESP security deposits may not be used by the UDC to pay outstanding bills on open accounts.~~ Security deposits may be in the form of (1) cash deposits, with interest earned at the 3-month commercial paper rate, (2) letters of credit, defined as irrevocable and renewable issued by a major financial institution acceptable to the UDC, (3) surety bonds, defined as renewable and issued by a major insurance company acceptable to the UDC, or (4) guarantees, with guarantors with a credit rating of Baa2 or higher from Moody's or BBB or higher from Standard and Poor's, Fitch or Duff & Phelps, unless the UDC determines that a material change in the guarantor's creditworthiness has occurred, or, in other cases, through the credit evaluation process described above. Security deposits must be posted with the UDC prior to the ESP's participation in Direct Access. Security deposits posted with the UDC which are in excess of outstanding unpaid bills owed to the UDC will be returned to the ESP within approximately 60 days after the ESP has terminated consolidated ESP billing services in the UDC's service territory. While the ESP is conducting Consolidated ESP billing, deposits cannot be used as payment for past due bills in order to avoid or delay the switch to separate UDC/ESP billing resulting from the ESP's non-payment of bills owed to the UDC.

(c) Security Deposit Payment Timetable

ESPs are obligated to post security deposits with the UDC prior to the ESP's participation in Direct Access. Such a deposit shall not be required until three days before the ESP's customers begin receiving direct access service. If the deposit in the required amount as specified in section S(2)(b) has not been received from the ESP, the UDC will continue to bill the customer under the same conditions prior to the scheduled change of service. The UDC will issue a notice to both the ESP and the customer, informing both parties that the ESP will not provide consolidated billing services for that customer until the security deposit has been received by the UDC.

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(d) Interest on Cash Deposit

The UDC will pay interest on cash deposits, except as provided below, calculated on a daily basis, and compounded at the end of each calendar month, from the date fully paid to the date of refund by check or credit to the ESP's account. The interest rate applicable in each calendar month shall be set forth in Rule 7; except that when a refund is made within the first fifteen days of a calendar month the interest rate applicable in the previous month shall be applied for the elapsed portion of the month in which the refund is made.

No interest will be paid if the ESP's right to continue providing ESP Consolidated Billing services is temporarily or permanently discontinued for nonpayment of bills. No interest will be paid for periods covered by bills paid after becoming past due.

(e) On-going Maintenance of Credit

To assure continued validity of established unsecured credit, the ESP shall promptly notify the UDC of any material change in its credit rating or financial condition. ESP shall also furnish evidence of an acceptable credit rating or financial condition, as set forth above, to the UDC upon request. In the event the UDC determines that the ESP's, or the ESP's guarantor's, creditworthiness has materially changed, as set forth above, and the ESP does not rectify or provide a security deposit commensurate with the change in credit-worthiness, then the UDC may revert to Separate Billing.

(f) Re-establishment of Credit

An ESP whose Consolidated Billing service option has been terminated, revoked or suspended under this section may reestablish its credit worthiness by the provision of a security deposit, or by any other manner described in this section S following a six-month period.

(3) Under Separate UDC/ESP Bills

If the ESP performs separate billing services, the UDC may require the ESP to establish its creditworthiness through evaluations, deposits, or other security in the manner described in Section S.(2), to cover CPUC-approved charges

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incurred as a result of Direct Access participation. That is, the creditworthiness only applies to the UDC charges that are billed directly to the ESP.

(4) Additional Documents

The ESP shall execute and deliver all documents and instruments (including, without limitation, security agreements and UDC financing statements) reasonably required from time to time to implement the provisions set forth above and to perfect any security interest granted to UDC.