***Lubbock Retail Integration Task Force***

*Customer Choice Billing - Outline for Resolution*

*November 2022*

***ISSUE:*** Per PURA Section 40.057, an end use customer in an opt-in MOU TDSP service area has the option of receiving a single bill (delivery + energy) or separate bills for each. LP&L intends to and is prepared to adopt the single bill scenario through REPs, however, a plan will need to be drafted for the instances in which a customer chooses for separate bills

***RESOLUTION:*** REPs and TDSPs will need to determine the impact and timeline of any protocol / guide / system changes that are needed to support customer choice billing

**Steps Toward Resolution…**

**REGULATORY/LEGAL considerations**

1. Legislative Revision for 2023 session – possibly partnered with proposed revision to TX Utility Code182 for customer data issues being passed through ERCOT

Sec. 40.057.  BILLING.  (a)  A municipally owned utility that opts for customer choice may continue to bill directly electric customers located in its certificated retail service area, as that area exists on the date of adoption of customer choice, for all transmission and distribution services.  The municipally owned utility may also bill directly for generation services and customer services provided by the municipally owned utility to those customers.

(b)  A municipally owned utility that opts for customer choice may not adopt anticompetitive billing practices that would discourage customers in its service area from choosing a retail electric provider.

(c)  A customer that is being provided wires service by a municipally owned utility at distribution or transmission voltage and that is served by a retail electric provider for retail service has the option of being billed directly by each service provider or to receive a single bill for distribution, transmission, and generation services from the municipally owned utility.

* 1. IMPACTS: if the law is revised, this will flow to LP&L’s tariff 25.215, Nodal Protocols, and Retail Market Guide - Chapter 8

1. Based on existing language, what is LP&L and ERCOT’s interpretation of contracting billing services with the ROR? Or will LP&L need to retain billing of delivery charges?

8.1 Municipally Owned Utility and/or Electric Cooperative Transmission and/or Distribution Service Provider Market

(4) Notable differences between the IOU TDSP market and the MOU/EC TDSP market include, but are not limited to the following:

(a) Billing - Billing may be consolidated billing or separate billing (based on Customer Choice) in a MOU/EC TDSP territory versus consolidated billing only by the Competitive Retailer (CR) in an IOU TDSP territory. The MOU/EC TDSP could choose to delegate the consolidated billing to the CR or contract with a third party.

1. Is LP&L able to enact a Discretionary Service Charge for customers ‘opting out’ of consolidated billing? Would that exist on LP&L side of the bill? YES?
   1. Can the Access Agreement be modified to state LP&L’s preferred billing option, such as… “*The Retail Electric Provider/Competitive Retailer will perform consolidated billing except in cases where the customer affirmatively opts for dual billing and agrees to pay any associated charges”*

*After a lengthy discussion of PURA, the MOU tariffs, and the RMG, the group will move forward with reviewing the operational impacts of the following two options:*

1. *Consolidated billing by REP acting as billing agent for MOU*
2. *Dual Billing only if customer affirmatively chooses to be billed by MOU for delivery charges*

*OPEN Question: will an obligation exist to publicize customer choice option? (Shawnee question)*

**OPERATIONAL considerations**

1. If a REP is acting as the billing agent for LP&L, is the REP able to provide a consolidated bill? YES

*If a REP is able to provide a consolidated bill, then transaction flow and operations are ‘business as usual’.*

1. If a REP is acting as the billing agent for LP&L, does the REP need to provide two separate invoices to the customer? NO

*Operationally, this is challenging for the REPs and would prefer the dual billing option where LP&L invoices the delivery charges only and the REP invoices the energy charges.*

1. If dual billing is the preferred method for customer choice, what downstream operational aspects must be considered?
   1. Will REPs need to receive the 867/810 pairing in order to invoice? REPs/EDI providers can concur a REP may receive only an 867 and be able to invoice the customer
      1. If YES, how will 810s be ‘zeroed out’? Can the ERP process be leveraged where the 810s were submitted, yet fully credited via a SAC04 code? May not be necessary
   2. Will EFLs be impacted? What components will be required for fulfillment? What will be posted on PowerToChoose? Would a separate disclosure be required for dual billing – Staff question (Shawnee)
   3. How will dual billed customers be identified? An attribute on the ESI does not exist, only the initiating transaction has a BLT segment indicating dual or consolidated billing.

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* 1. Will all enrollments still be initiated by REPs? YES, see above BLT segment indicating billing type. To note, NEC only accepts DUAL billing. Any other indicator is rejected.
  2. Customer Protection Rules (CPR) – the below processes will be impacted by rules LP&L adopt. Currently, 25.480 does not apply to MOUs, thus the disconnection and switch hold processes will be impacted
     1. Disconnection processes? Will 650\_04s be utilized for dual billing customers?– Conceptually, the DNP process can be initiated by both LP&L and the REP for dual billed customers
     2. How will Switch Holds be handled? Depending on the CPRs adopted by LPL&L, will LP&L allow Switch Holds to be received and processed from REPs? LP&L response is ‘most likely’.
     3. Will there be any LP&L payments due from REPs? Particularly Disconnect/Reconnect fees when DNP is initiated from REP. If so, how will these be recovered?
  3. Will REPs be able to refuse service if a customer selects dual billing? Staff guidance required. Initial thought is this would be similar to a prepay product. If the REP cannot service a prepay customer or a customer requesting dual billing, then a REP would be able to refuse service
     1. For existing ‘competitive customers’ who decide they would like to move to dual billing, what will be the process for notifying REPs? MarkeTrak?
        1. MarkeTrak process seems sufficient to notify other party (either LP&L or REP) of a customer’s request. Discussed how this can be accomplished transactionally so all systems are in sync since an 814C transaction does not exist:
           1. New MVI only for same customer
           2. MVO followed by MVI of same customer
           3. Best option proposed is an 814PC originated from REP to LP&L notifying of new BLT segment. And 814PD would be the response from LP&L accepting the change. One note of caution is that an 814PC is overlaid on existing customer information, thus all mandatory data and fields would need to be provided to avoid overriding existing information
        2. Are time parameters associated with a transition of customer choice billing (similar to meter read cycle change requests)? Suggestion was possible 12 month ‘stay’ on billing type. This would need to be documented/controlled via REP TOSA and/or LP&L tariff
        3. Billing changes could only be performed on meter cycles and may take up to 1-2 billing cycles to effectuate
     2. What happens during a mass transition process? Would a customer retain billing their preference? It was suggested the default would be consolidated billing by REP, however, there is a BLT segment in the 814\_14 offering the option. This is a Dave Michelsen question as to whether ERCOT ignores that segment or if system changes would be required to communicate billing type during a mass transition. Aligning again with a prepay/autodraft customer, a mass transition does not transfer this payment option.

1. What protocol/guide changes are required to incorporate dual billing? Intentions to follow proposed NPRR/RMGRR ERCOT is drafting for CSA/Mass Transition workflows. Under ‘General Information’ a decision tree will list applicable rule sections (MOU vs MOU acting as TDU).

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| Customer Choice Billing |  |  |
| LEGISLATIVE / REGULATORY |  |  |
| PURA 40.057 Changes |  |  |
| Interpretation of RMG 8.1 (4) (a) |  |  |
| Discretionary Service Charge |  |  |
| OPERATIONAL ISSUES |  |  |
| Consolidated Billing |  |  |
| REP acting as billing agent |  |  |
| Dual Billing | Impacts | Protocol/Guide Changes |
| 867s/810s |  |  |
| EFLs |  |  |
| Disconnection Process |  |  |
| Switch Hold Process |  |  |
| TDU Payments |  |  |
| Unable to Provide Dual Billing |  |  |
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