REMITTANCE ADVICE BUSINESS PROCESSES
UTILITY CONSOLIDATED BILLING MODELS
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This document describes the detailed business processes associated with remitting funds to the non-billing party under Utility consolidated billing models.   The scope of this document addresses processes associated with the disposition of customers payments received on consolidated bills, by either the billing or non billing party, utility purchase of an ESCO customer receivable, and payments/payment reversals associated with amounts owed to, or from, an ESCO that are unrelated to a specific customer account.

In developing these business processes, the following documents were reviewed:

- Case 98-M-0667, Report of NY EDI Collaborative, issued June 30, 1999.
- Order approving EDI Test Plans and Data Standards, issued and effective November 8, 2001 in Case 98-M-0667 - In the Matter of Electronic Data Interchange
- Order Approving Electronic Data Interchange Transactions for Utility Bill Ready and Rate Ready Billing, issued and effective June 21, 2002 in Case 98-M-0667.
- Case 98-M-1343, In the Matter of Retail Access Business Rules, Errata Notice, issued August 2, 2004.
- Case 99-M-0631 and Case 03-M-0017, Order Relating to Implementation of Chapter 686 of the Laws of 2003 and Pro-ration of Consolidated Bills, issued and effective June 20, 2003
- Case 98-M-1343, Case 99-M-0631, and Case 03-M-0117, Order on Petitions for Rehearing and Clarification, issued and effective December 5, 2003.
- Case 98-M-1343 and Case 99-M-0631 and Case 03-M-0117, Order on Petitions for Rehearing and Clarification, issued and effective June 22, 2005.

NOTES:

- The source of various Process Rules listed in this document is indicated by the following annotations which precede each rule:
  - ➢ UBP = NY Uniform Business Practices
  - ➢ CR = Report of the NY EDI Collaborative
  - ➢ CWG = Collaborative Work Group

➢ [CWG][UBP (insert Section and paragraph cite)] = Collaborative Work Group clarification, interpretation or comment intended to accommodate Electronic Data Interchange. The following abbreviations are used for UBP Section references:

–	DEF	Section 1 Definitions
–	ELIG	Section 2 Eligibility Requirements
–	CRED	Section 3 Creditworthiness
–	CI	Section 4 Customer Information
–	CSP	Section 5 Changes in Service Providers
–	CINQ	Section 6 Customer Inquiries
–	UI	Section 7 Utility Invoices
–	DISP	Section 8 Disputes Involving Distribution Utilities, ESCOs or Direct Customers
–	B&PP	Section 9 Billing and Payment Processing

➢ [HEFPA] = Modifications to the Uniform Business Practices adopted in orders issued in Case 03-M-0117 implementing Part 686 modifications to the Home Energy Fair Practices Act.

• The text of the Uniform Practices displayed in the Process Rules sections in this document are those Practices that are relevant to the scope of the business processes being described in this document and are a verbatim quotation from the Errata Notice issued in Case 98-M-1343 on August 2, 2004. Those Practice(s) that require elaboration, clarification, or interpretation in light of other EDI standards or modification to accommodate EDI data exchange processes will be displayed in the Process Rules section AND will also be highlighted in the Comments/Recommendations/Issues section.

• Any item displayed under a Process component (i.e. rules, etc.) is also applicable for its sub-processes, unless otherwise noted.

• For purposes of validating customer transactions, the customer's utility account number (with check digit, if included) must be included on every transaction.

• Utilities and E/Ms must demonstrate the technical capability to exchange information electronically for the billing and payment processing options offered by each party and meet the operational time frames that support the billing options used (UBP B&PP B. 8.).

- The billing party is not responsible for collection of non-billing party funds, unless agreed to in a BSA.

- When a consolidated billing arrangement is in place, an 820 Remittance Advice is used by the billing party to provide details of the payments remitted to the non-billing party and is also used to provide details of payments being reversed. The payments/adjustment detail provided may pertain to customer's payments on consolidated bills (Pay-As-You-Get-Paid Model) or the purchase of an ESCOs current and/or past due receivables (Purchase Receivables Model). The Remittance Advice transaction must always be sent by the billing party to the non-billing party even where the billing party is utilizing a bank to process the remittance of funds to the non-billing party.

- The 820 Remittance Advice may also contain payments and/or adjustments associated with funds due from, or owed to, the non-billing party for services rendered or fees assessed by the billing party such as billing services fees, additional wire transfer costs, imbalance fees, etc. These payments/adjustments will be identified in the Remittance Advice by a Master Account Number which may be either an account number assigned to the non-billing party by the billing party or a 'dummy' account number of the form 99999xxxx at the discretion of the billing party. Separate 'dummy' account numbers may be established to distinguish between payments/adjustments specific to electric service versus those that pertain to gas service.

- To minimize the administrative costs associated with reconciling the 820 Remittance Advice transactions with the corresponding funds transfers, the 820 Remittance Advice transaction and funds transfer must be initiated on the same business day. When the payment processing method is Pay-As-You-Get-Paid, the billing party must initiate the funds transfer to the non-billing party, within two business days of receipt and posting of the funds by use of Electronic Funds Transfer (EFT), Automated Clearing House (ACH), check or similar means to banks or other locations as agreed to by the parties. For the Purchase Receivables method, the parties shall agree upon, and document in the Billing Service Agreement, the date and method of payment.

- The total amount indicated in the 820 Remittance Advice transactions, when positive, must be equal to the funds being transferred.

- Each 820 Remittance Advice may contain multiple accounts for multiple commodities.

- Where the billing party has prepared a consolidated bill consisting of electric and gas charges, payments may be remitted either for combined electric and gas charges or for electric and gas charges separately.

- The 820 Remittance Advice will contain payments (or reversed payments) detailed by individual customer account (or master account number) as well as the total amount of all payments/reversals contained in the transaction.

- Parties must document in their Billing Services Agreements the process to be used when the total amount in the Remittance Advice is a negative amount.

- The non-billing party should <u>not</u> use an 820 Remittance Advice to communicate the posting of payments or credits.

- Customer usage, billing, and credit data is to be considered confidential and may not be shared with anyone without the express authorization of the customer, unless disclosure is required by appropriate legal or regulatory authority or is authorized in accordance with the Uniform Business Practices to facilitate the customer's retail access or billing and payment choice. The same level of accountability for data confidentiality will apply to any third party data service providers engaged by an ESCO/Marketer or Utility. Parties utilizing third party data service providers must ensure that such providers adhere to this confidentiality policy, for example, by incorporating express terms regarding data confidentiality in a Billing Service Agreement and/or Trading Partner Agreement. Delivery service billing data for customers with negotiated delivery contracts may not be disclosed without the utility's consent, except as otherwise required by appropriate regulatory and other legal authorities.

- Although transactions may be sent at any time, they will be processed during normal business days and hours. Business days are Monday through Friday, except for national holidays and for days for which business cannot be performed due to <u>force majeure</u> events [see UBP definition for 'Business Day' and paragraph B&PP D.1.j.]. Related to the 820 Remittance, since the Billing Party is required to send payments to the non billing party within 2 days of receipt from the customer, if the payment is received/posted on Day 1 during business hours, the billing party must send payment and the 820 Remittance Advice by close of business on Day 3.

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PROCESS NUMBER:	*RAUO*
PROCESS NAME:	*PAYMENTS OR PAYMENT REVERSALS ARE PROCESSED UNDER UTILITY CONSOLIDATED BILLING MODELS (PARENT PROCESS)*
PROCESS DEFINITION:	Process by which customer payments made on consolidated bills are allocated, payments are transmitted and details of payments and payment reversals are communicated. Payments may be reversed under the following scenarios: • Returned check • Misapplied payment • Duplicate payment on an individual account • Payment remittance is rejected • Bill is cancelled (Not used with Bill Ready Pay-As-You-Get-Paid Method) • Errors in payment calculation (for master account amounts). Depending on the scenario, the method for processing payment reversals via EDI will be detailed in the Billing Services Agreement (BSA).
TRIGGER(S):	E/M customers receive consolidated bills and a customer payment is received on account (Pay-As-You-Get-Paid), the billing party is purchasing the ESCO customer receivable, or the billing party is collecting or crediting amounts owed by or to the non-billing party.
ESTIMATED / PEAK TRANSACTION RATE:	Dependent on the number of customers enrolled in Consolidated billing models.
PROCESS INPUTS:	Utility Billing Information; E/M Billing Information, Payment Information, Receivables Information.

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PROCESS OUTPUTS:	Communication between the billing party and non-billing party describing payment or payment reversal on customer account.

SUB OR PRECEDING PROCESSES:	• Customer is established on consolidated billing model.
	• The billing party issues consolidated bills.
	• Billing party receives a payment on a consolidated bill.
	• Billing party allocates payment according to payment allocation rules.
	• Where allocation results in an amount that should be remitted to the non-billing party, funds are transferred and the 820 Remittance Advice is sent.
	      Or
	• The billing party determines that a payment on account previously remitted should be reversed.
	• The billing party debits funds being remitted equal to the amount of the payment being reversed and includes the debit information in the 820 Remittance Advice identifying the amount of the payment being reversed.
	      Or
	• The billing party determines the amount due the E/M for purchase of the current period receivable for each E/M account in a billing cycle.
	• Funds are transferred and the 820 Remittance Advice is sent on the date agreed upon and documented in the BSA between the parties.
	      Or
	• The billing party determines that a purchase of the E/M receivable previously remitted should be reversed or adjusted.
	• The billing party debits (or credits) funds being remitted equal to the amount of the payment being reversed or adjusted and includes the adjustment information in the Remittance Advice.

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	Or • The billing party determines the amount of charges (or credits) due from, or to, the non-billing party for services or fees that are unrelated to an individual customer account. • The billing party debits (or credits) funds being remitted equal to the amount of the charge (or credit) on the date agreed upon in the BSA between the parties and includes the charge (or credit) detail in the Remittance Advice under a master account number. 1.0 Utility Processes Payment Using 820 Remittance 2.0 Utility Processes Reversal of Payment Using 820 Remittance
PROCESS RULES:	[UBP B&PP D. 1.] A billing party shall perform the following functions and responsibilities: (k.) Receive and record customer payments; (l.) Allocate and transmit the non-billing party's share of receipts, by account, to the non-billing party; (m.) Respond to general inquiries and complaints about the bill and its format; refer customers to the non-billing party for inquiries and complaints related to the non-billing party's rates, charges, services, or calculations; and, (n.) Maintain records of billing information, including amounts collected, remaining and transferred, and dates. [UBP B&PP D.3.] A party that requires a customer's deposit shall administer it. If a non-billing party applies a customer deposit to an outstanding balance, it shall notify the billing party. [UBP B&PP D. 4.] Upon receipt of payments, a non-billing party shall notify the billing party. [UBP B&PP G. 13.] Due dates and other general payment terms and conditions shall be identical for distribution utility and ESCO charges, unless different terms and conditions would have no impact on them. In the event of a conflict, the distribution utility's payment terms and conditions shall govern.

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[UBP B&PP J.1. The parties shall set forth their responsibilities, performance parameters, financial arrangements and other details associated with payment processing and remittance in a BSA, subject to the requirements in this Section.

a. In the Pay-as-You-Get-Paid Method, the billing party sends payments to the non-billing party, within two business days of receipt and posting of the funds and processes the payments in accordance with the required priority for application of payments established in this Section.

b. A BSA shall establish procedures for processing payments made on any purchased accounts receivable.

[UBP B&PP J.2.a.] The billing party shall notify the non-billing party that payment is received and send payments to the non-billing party, within two business days after receipt and posting, by use of Electronic Funds Transfer (EFT), Automated Clearing House (ACH), or similar means to banks or other entities as agreed upon by the parties. The notice shall include, in account detail, the payments received from customers, the date payments are posted, the date payments are transferred, and the amounts allocated to the non-billing party's charges.

[UBP B&PP J.2.b.] The billing party may impose late payment charges on unpaid amounts not in dispute for the non-billing party provided the terms of the late payment charges are stated in a tariff or a sales agreement and previously disclosed to the customers. If the bill ready method is used, each party shall calculate its late payment charges. If the rate ready method is used, the billing party shall calculate the non-billing party's late payment charges under terms agreed upon by the parties. If a customer's check is returned for any reason, the billing party may charge the customer's account for the return fee and any reasonable administrative fee.

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[UBP B&PP J.2.c.] Upon failure of the billing party to pay the non-billing party its proper share of customer payments within two business days after their receipt and posting or at the time agreed upon when accounts receivable are purchased, the billing party shall pay interest on the un -remitted amount. The billing party shall calculate the interest at the rate of 1.5 percent per month from the date the payment was due to be received by the non-billing party or its bank.   The payment of interest is in addition to, and not in lieu of, the rights and remedies otherwise available to the parties.

[UBP B&PP J.2.c. Footnote 16] Upon request, the billing party shall provide the non-billing party with a verified copy of the posting log of payments received and transferred to the non-billing party during any calendar month specified by the non-billing party.

[HEFPA B&PP J. 4.a.] The billing party shall allocate customer payments to the following categories of charges on the bill or contained in a notice that are not in dispute in this order of priority of payment: (1) amounts owed to avoid termination, suspension or disconnection of commodity or delivery service; (2) amounts owed under a DPA, including installment payments and current charges; (3) arrears; and (4) current charges not associated with a DPA. The billing party shall prorate payments to the charges within each category in proportion to each party's charges in that category. After satisfaction of the charges in a category, assuming available funds, the remainder of the payment shall apply to the next highest category according to the priority of payments and in the same manner as described above until the payment is exhausted.

[HEFPA B&PP J.4.a. Footnote 17] Distribution utilities supplying delivery service for both natural gas and electricity to customers receiving consolidated bills shall apply the receipts to the separate services in accordance with their regular procedures. Where a consolidated bill displays delivery charges for separate gas and electric distribution utilities, the customer's payments shall be first prorated between the utility accounts in accordance with the amount each is due compared with the total amount due both distribution utilities.

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[HEFPA B&PP J.4.b.] The billing party may retain any payment amounts in excess of the amounts due as prepayments for future charges or return the excess amounts to customers. The billing party shall, in a timely manner, combine any excess payment amounts with the customer's payment on the next bill, and allocate and pro-rate the sum as set forth in 9.J.4.a.

[HEFPA B&PP J.4.b. Footnote 18] Where the customer elects to make a charitable donation, such as funding a low income program, satisfaction of the donation shall be made prior to allocation and pro-ration of the customer's excess payment.

[HEFPA B&PP J.4. c.] When the billing or non-billing party enters into a multi-month payment agreement with a customer or waives any charges, that party shall notify the other party of such action.

[HEFPA B&PP J.4.d.] The billing party shall hold payments received without account numbers or enough information for the billing party to identify the accounts and attempt to obtain information to identify the payer. If sufficient information is not obtained to identify the account information prior to the next bill, the billing party shall present the unpaid amount and late charge, if applicable, on the bill. If the customer contacts the billing party to inquire about the late charge and the lack of payment credit, the billing party shall resolve the matter and reverse the late charges. The billing party shall notify the non-billing party of the matter and its resolution and then allocate payments as necessary to balance the account.

[HEFPA B&PP J.5.] Multiple Account Payment Processing Procedures for handling a single customer payment on multiple accounts requires proactive action on the part of the billing party and the non-billing party to apply payments correctly. The parties shall set forth arrangements for multiple account payment processing in a Billing Services Agreement.

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[HEFPA UBP B&PP J.6.a.] Except as provided in Section 9.J.6(d), when a final bill is issued, the billing party shall maintain a current and past due balance for each account of the non-billing party until payment of the last bill issued for service provided by the non-billing party or 23 days after issuance of such bill, whichever is sooner. After such time, the account shall be considered "inactive".

[HEFPA UBP B&PP J.6.b.] Except as provided in Section 9.J.6. (d), a customer's change to a new ESCO, the billing party shall continue to receive and apply a customer's payments for the active account of the prior ESCO. If the customer does not pay the outstanding balance owed to the prior ESCO on or before 23 days after the final bill containing the prior ESCO's charges is issued, the billing party shall notify the ESCO and report the balance due.

[HEFPA UBP B&PP J.6.c.] With regard to a new distribution utility/ESCO following a change of ESCOs or a change in a distribution utility, the new billing party shall, upon request of the new non-billing party, bill for the balances that may exist at the time of the change. The new billing party may include the arrears on current bills or in a separate bill if its billing system is not capable of accepting prior charges. If a change of providers occurs, a distribution utility is not required to post any arrears of the prior ESCO on consolidated bills issued after the final billing of its charges, unless the arrears become the property of the new ESCO and it provides its property right to the distribution utility.

[HEFPA UBP B&PP J.6.d.] Upon ESCO termination of the commodity supply of customer due to failure to pay charges, the billing party shall maintain a current and past due balance for the account of the terminating ESCO for one year from the date of termination by the ESCO. In the event that the terminating ESCO seeks suspension of delivery service within one year of the termination, or the residential customer has a DPA, the billing party shall maintain a current and past due balance for each account of the terminating ESCO until the arrears are paid in full.

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[UBP B&PP J.8.a.] Upon a determination that a complaint affects the entire bill, the billing party shall notify the non-billing party of the subject and amount in dispute, if known.

[UBP B&PP J.8.b.] The non-billing party shall inform the billing party of disputes related to non-billing party charges that would affect the billing process.

[UBP B&PP J.8.c.] Once such complaints are resolved and the billed amounts are no longer in dispute, the other party shall be notified.

[CWG] [UBP B&PP D.1. k – n.] When consolidated billing is in effect, the billing party is responsible for administration of the non-billing party account balance including maintenance of the non-billing party balance, presentation of the non-billing party balance on the consolidated bill, and allocation of payments to the non-billing party balance.

[CWG][UBP B&PP J.2.a.] This paragraph of the Practices describes information to be provided to the non-billing party related to customer payment activity in account detail including: the date payments were posted, the date payments were transferred and payment amounts allocated to the non-billing party.   The Remittance Advice will contain this information as well as either a payment or an adjustment indicator and an adjustment reason, if applicable. Information on the total amount of the customer's payment received by the billing party will be made available in the manner described in UBP B&PP J.2.c. Footnote 16 until an EDI standard has been modified to incorporate this information.

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[CWG] For Utility consolidated billing models the following process should be used when payments are received by the non-billing party:

- The non-billing party should apply the entire payment to the customer's account with the non-billing party;

- The non-billing party must notify the billing party of receipt of the customers' payment as follows:
  - ➢ Bill Ready -- Via the PAM segment in the EDI 810
  - ➢ Rate Ready -- Via EDI 568 Accounts Receivable Advisement

- Upon receipt of notification from the non-billing party, the billing party must adjust the customer's receivables balance with the non-billing party to reflect the payment amount and determine the allocation of the payment between the billing and non-billing party in accordance with pro-ration procedures established in B&PP J.4.a. The receivables balances of the parties may subsequently be adjusted to reflect the pro-rata share of the payment applicable to each party.

- In addition, the BSA between the parties should specify additional actions the non-billing party is expected to take regarding notification to the billing party when funds are received. The BSA should identify the method(s) that will be used to notify the non-billing party and the customer of the pro-rata share of the payment allocated to each party.

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[CWG] [UBP B&PP J.4.d.] When payments are received without enough information for the billing party to identify the customer account, this paragraph advises that customer's should contact the billing party to inquire about any late charges or the lack of payment credit. This process should apply only to Utility Rate Ready consolidated billing.

[CWG] [UBP B&PP J.4.d.] When a payment from the customer is received by either the billing or non-billing party without an account number or enough information for the recipient to identify the payer, the payment will be held and processed when sufficient information is obtained to identify the account.

[CWG] [UBP B&PP J.4.d.] When a customer contacts either the billing or non-billing party to inquire about a payment that may not have been identified, the party that received the unidentifiable payment, which may be either the billing or non-billing party, will investigate the payment.

[CWG] [UBP B&PP J.4.d.] When a payment from the customer is received by either the billing or non-billing party without sufficient information to identify the payer, the payment should be handled as follows:

- Billing Party is the Recipient of the Payment – Utility Consolidated Billing Models
  When the billing party identifies the payer, the payment will be allocated, and where allocation results in an amount that should be remitted to the non-billing party, the billing party will initiate an 820 Remittance Advice and a funds transfer to the non-billing party.

- Non-billing Party is the Recipient of the Payment – Utility Consolidated Billing Models

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| | When the non-billing party identifies the payer, the entire payment will be applied to the customer's account with the non-billing party. In the Bill Ready model, the billing party will be notified via the PAM segment in an 810 Invoice. In the Rate Ready model the billing party will be notified of payment via the EDI 568 Accounts Receivable Advisement transaction. In addition, the BSA between the parties should specify additional actions the non-billing party is expected to take regarding notification to the billing party when funds are received. The BSA should identify the method(s) that will be used to notify the non-billing party and the customer of the pro-rata share of the payment allocated to each party.

[CWG] A customer payment must be posted to the receiver's system(s) on the same date as it is received.

[CWG] To minimize the administrative costs associated with reconciling the 820 Remittance Advice transaction with the corresponding funds transfer the Remittance transaction and funds transfer must be initiated on the same business day.

[CWG] Where the billing party has prepared a consolidated bill consisting of electric and gas charges, payments may be remitted in the 820 Remittance Advice either separately or combined.

[CWG] The 820 Remittance Advice will contain payments (or reversed payments) detailed by individual customer account (or master account number) as well as the total amount of all payments/reversals contained in the transaction.

[CWG] In cases where an item on the 820 Remittance Advice or the entire 820 Remittance Advice is rejected by the non-billing party, for example when a duplicate 820 Remittance Advice was sent in error, the funds will have already been transmitted and will be retained by the non-billing party. It is the |

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	responsibility of the billing party to initiate a process to recover the funds transferred and provide account detail either via a payment reversal (adjustment) in an 820 Remittance Advice (if feasible) or another process acceptable to the parties which must be documented in the BSA. [CWG] An 820 Remittance Advice is always transmitted when the sum of the payments and payment reversals included in the Remittance Advice is a positive remittance amount. Parties must document in their BSAs which process is to be used when the sum of the amounts in an 820 Remittance Advice is zero or a negative amount. Processes that may be used include: holding the 820 Remittance for one day or more to allow for payments and reversals included in the 820 Remittance of the following day(s) to offset the negative remittance amount; sending a Remittance Advice where the summary amount for the transaction equals "zero" but the sum of the detail amounts is a negative number; sending a Remittance Advice where the summary amount is a negative number; and/or taking other actions to allow for resolution of the negative 820 Remittance Advice, etc.
COMMENTS/ RECOMMENDATION S/ISSUES	[CWG] [B&PP J.4.d.] When payments are received without enough information for the billing party to identify the customer account, this paragraph indicates that the customer should contact the billing party to inquire about any subsequent late charges or the lack of payment credit. The billing party is expected to resolve the matter and reverse the late payment charges. It should be clarified that these provisions are limited to Utility Rate Ready consolidated billing. In the Utility Bill Ready model it is the non-billing party who calculates all charges and makes all adjustments to past charges including the reversal of LPCs. The Collaborative considered a number of methods in developing a process for handling payments received by a non-billing party and identified a *best practice* based on the criteria described below. Frequency – It is expected that the instances in which customers would make payments to a non-billing party will be low; therefore, the extensive efforts needed to develop an elaborate method for handling such

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payments appear unwarranted.

Customer Intention – In the consolidated billing model, the billing party provides the customer with payment instructions, a payment stub and a mailing envelope or some other method for payment remittance (instructions for payment on Web site, etc.). Based on this, when the customer remits their payment to the non-billing party, the customer is making a clear choice as to which party the payment should be applied to. In such a case, the customer has made special efforts to make payment to the non-billing party; rather than use the means (envelope, etc.) provided by the billing party, the customer is making a decision to use another means, such as writing out an envelope and mailing it to the non – billing party. Payments sent by the customer to the non-billing party may be payments for dual bill(s) outstanding at the time the consolidated billing relationship became effective or for amounts that were charged back to the E/M because they were deemed uncollectible by the billing party.

Processing Methods – The processing method developed by the Collaborative is fully automated and avoids the use of manual processing routines that are prone to error. The method is also streamlined and avoids the need to process payments more than once. In the method recommended the total payment is applied by the non-billing party to its receivable balance for the customer, pending determination by the billing party of the proper pro-rata share of the payment that should be allocated to each party. In comparison, methods that involve transmission of the payment from the non billing party to the billing party are more complex. For example, in the method where the entire payment is sent to the billing party for processing the following steps must be followed:

- The non-billing party receives the payment,
- The non-billing party posts it to their Customer Service System (CSS),
- The non-billing party reverses the payment on their CSS
- The non-billing party notes the customer account indicating that payment has been made.

- The non-billing party transmits the payment to the billing party (would require modified processing protocols)

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	• The billing party allocates the payment.
	• The billing party processes the payment.
	• Where an amount is due to the non-billing party, the billing party transmits payment and an 820 Remittance Advice to the non-billing party.
	• The non-billing party receives the payment.
	• The non-billing party posts it to their Customer Service System (CSS).
	Using this method, a customer's payment is essentially processed a total of three times which would substantially increase the likelihood of processing errors. In most instances where the Utility is the non-billing party these extensive efforts will only result in the entire payment being returned to the Utility, albeit after a delay, according to the wishes of the customer.
	Reallocation of Payment – The method recommended by the Collaborative provides an efficient means for the reallocation of the payment. Notification of the payment by the non-billing party to the billing party provides the parties with the opportunity to review the payment and take actions as necessary for its reallocation. It is expected that instances in which reallocation will be necessary will be extremely infrequent.

REMITTANCE ADVICE BUSINESS PROCESSES
UTILITY CONSOLIDATED BILLING MODELS

PROCESS NUMBER:	*RAU 1.0*
PROCESS NAME:	*UTILITY PROCESSES PAYMENTS USING 820 REMITTANCE ADVICE*
PROCESS DEFINITION:	Process by which the Billing Party provides detail of payments being transmitted to the non-billing party.
TRIGGER(S):	Customer payment is allocated and results in a payment that should be sent to the non-billing party or a consolidated bill is issued and the billing party will purchase the non-billing party's receivable.
ESTIMATED / PEAK TRANSACTION RATE:	Dependent on the number of customers enrolled in Consolidated billing models.
PROCESS INPUTS:	Utility Information; E/M Information, Customer Information, Payment Information, Receivables Information.
PROCESS OUTPUTS:	**Positive Response:** This response is not applicable to receipt of an 820 Remittance Advice **Negative Response:** The sender of the Advice may be notified of errors in a Remittance transaction via an 824 Application Advice transaction or may be contacted directly through other means. A negative response may pertain to payment information for an individual account in the Remittance transaction or to the entire Remittance transaction. **Negative Responses At Individual Customer Account Level:** • Account Number Not Valid (A76) • Account Does Not Have Service Requested (A91) • Invalid Relationship (A84) • Invoice Number Invalid or Missing (I76) • Other (A13)

REMITTANCE ADVICE BUSINESS PROCESSES
UTILITY CONSOLIDATED BILLING MODELS

PROCESS NUMBER:	*RAU 1.0*
PROCESS NAME:	*UTILITY PROCESSES PAYMENTS USING 820 REMITTANCE ADVICE*

	Negative Responses At Transaction Level: (Use of Specific Codes Documented in BSA) • Duplicate Remittance (ABN) • ID # (Payer or Payee) Invalid or Missing (D76) • Sum of Individual Payments Not Equal to Transaction Total (SUM) • Invalid Relationship (A84) • Total Charges Negative (TCN) • Other (A13)
SUB OR PRECEDING PROCESSES:	See parent.
PROCESS RULES:	[CWG] The funds transfer method to be used by the billing party will be documented in the Billing Services Agreement executed between the billing and non-billing parties. [CWG] To minimize the administrative costs associated with reconciling the 820 Remittance Advice transactions with the corresponding funds transfer, the Remittance transaction and funds transfer must be initiated on the same business day and must contain the same trace id. [CWG] The non-billing party will use both the funds received and the corresponding 820 Remittance Advice to process the funds. [CWG] When the total amount of payments (and payment reversals) sent in a Remittance transaction is a positive number, the Remittance total must be equal to the corresponding funds transfer. Parties must document in their BSAs which process is to be used when the total amount of payments (and payment reversals) in a Remittance transaction is equal to zero or a negative number.

REMITTANCE ADVICE BUSINESS PROCESSES
UTILITY CONSOLIDATED BILLING MODELS

PROCESS NUMBER:	*RAU 1.0*
PROCESS NAME:	*UTILITY PROCESSES PAYMENTS USING 820 REMITTANCE ADVICE*
	[CWG] The billing party must establish a trace number and include it in both the 820 Remittance Advice and the funds transfer documentation. This number is used to match an 820 Remittance Advice to the corresponding funds transfer. [CWG] Amounts owed to, or from, the non-billing party for services provided or fees assessed by the billing party that are unrelated to an individual customer account will be separately identified in the Remittance Advice transaction by a master account number. The master account number may be assigned to the non-billing party by the billing party or may be a 'dummy' account number of the type 99999xxxx. The BSA between the parties should document the account number(s) to be used in the master account entries in the detail section of the Remittance Advice.
COMMENTS:	

REMITTANCE ADVICE BUSINESS PROCESSES
UTILITY CONSOLIDATED BILLING MODELS

PROCESS NUMBER:	*RAU 2.0*
PROCESS NAME:	*UTILITY PROCESSES REVERSAL OF PAYMENTS USING 820 REMITTANCE ADVICE*
PROCESS DEFINITION:	Process by which the billing party will communicate the reversal of, and/or adjustments to, amounts previously sent to the non-billing party.
TRIGGER(S):	A remittance item previously sent by the billing party to the non-billing party now requires action to resolve a debit or credit arising from the application of that item to the non-billing party's customer or other receivables.
ESTIMATED / PEAK TRANSACTION RATE:	Dependent on the number of customers enrolled in Consolidated billing models.
PROCESS INPUTS:	Utility Information; E/M Information, Customer Information; Payment Information, Receivables Information.
PROCESS OUTPUTS:	**Positive Response:** This response is not applicable to receipt of an 820 Remittance Advice **Negative Response:** The sender of the Advice may be notified of errors in a Remittance transaction via an 824 Application Advice transaction or may be contacted directly through other means. A negative response may pertain to payment information for an individual customer account in the Remittance transaction or to the entire Remittance transaction. **Negative Responses At Individual Customer Account Level:** • Account Number Not Valid (A76) • Account Does Not Have Service Requested (A91)

REMITTANCE ADVICE BUSINESS PROCESSES
UTILITY CONSOLIDATED BILLING MODELS

PROCESS NUMBER:	*RAU 2.0*
PROCESS NAME:	*UTILITY PROCESSES REVERSAL OF PAYMENTS USING 820 REMITTANCE ADVICE*
	Negative Responses At Individual Customer Account Level (cont.): • Invalid Relationship (A84) • Invoice Number Invalid or Missing (I76) **Negative Responses At Transaction Level:** • Duplicate Remittance (ABN) • ID # (Payer or Payee) Invalid or Missing (D76) • Sum of Individual Payments Not Equal to Transaction Total (SUM) • Invalid Relationship (A84) • Total Charges Negative (TCN) • Other (A13)
SUB OR PRECEDING PROCESSES:	See parent.
PROCESS RULES:	[CWG] This transaction will be used to reverse a customer payment previously sent, to reverse or adjust funds transmitted to purchase an ESCO customer receivable, or to adjust items previously transmitted by the billing party that pertain to amounts owed by (or to be credited to) the ESCO for fees due to, or services performed by, the billing party such as billing services, balancing charges, late fees, etc. [CWG] The adjustment reason code for all adjustments associated with a master account number should be CS (Adjustment).

REMITTANCE ADVICE BUSINESS PROCESSES
UTILITY CONSOLIDATED BILLING MODELS

PROCESS NUMBER:	*RAU 2.0*
PROCESS NAME:	*UTILITY PROCESSES REVERSAL OF PAYMENTS USING 820 REMITTANCE ADVICE*
	[CWG] The adjustment reason code for adjustments associated with billing party purchase of an ESCO customer receivable that are unrelated to current period charges/credits should be 16 (Non-invoice Related Allowance/Charge).
COMMENTS:	