

## CHAPTER 25. SUBSTANTIVE RULES APPLICABLE TO ELECTRIC SERVICE PROVIDERS

### Subchapter O. UNBUNDLING AND MARKET POWER.

#### DIVISION 1. UNBUNDLING.

##### §25.341. Definitions.

The following words and terms, when used in Division 1 of this subchapter (relating to Unbundling and Market Power), shall have the following meanings, unless the context clearly indicates otherwise:

- (1) **Advanced metering** — Includes any metering equipment or services that are not transmission and distribution utility metering system services as defined in this section.
- (2) **Additional retail billing services** — Retail billing services necessary for the provision of services as prescribed under Public Utility Regulatory Act (PURA) §39.107(e) but not included in the definition of transmission and distribution utility billing system services under this section.
- (3) **Competitive energy services** — Customer energy services business activities that are capable of being provided on a competitive basis in the retail market. Examples of competitive energy services include, but are not limited to the marketing, sale, design, construction, installation, or retrofit, financing, operation and maintenance, warranty and repair of, or consulting with respect to:
  - (A) energy-consuming, customer-premises equipment;
  - (B) the provision of energy efficiency services, the control of dispatchable load management services, and other load-management services;
  - (C) the provision of technical assistance relating to any customer-premises process or device that consumes electricity, including energy audits;
  - (D) customer- or facility-specific energy efficiency, energy conservation, power quality, and reliability equipment and related diagnostic services provided, however, that this does not include reasonable diagnostic actions by an electric utility when responding to service complaints;
    - (i) reasonable diagnostic actions include actions necessary to determine if a power quality problem resides with the customer's equipment or with the utility's equipment and to notify the customer that the problem has been attributed to either the utility's equipment or the customer's equipment;
    - (ii) reasonable diagnostic actions do not include recommendations or actions to correct problems related to equipment on the customer's side of the delivery point that is owned by the customer or by a third-party entity that is not an electric utility;
  - (E) the provision of anything of value other than tariffed services to trade groups, builders, developers, financial institutions, architects and engineers, landlords, and other persons involved in making decisions relating to investments in energy-consuming equipment or buildings on behalf of the ultimate retail electricity customer;
  - (F) except as provided in §25.343(f) and (g) of this title (relating to Competitive Energy Services), transformation equipment, power-generation equipment, protection equipment, or other electric apparatus and infrastructure located on the customer's side of the point of delivery that is owned by the customer or by a third-party entity that is not an electric utility. For purposes of this subparagraph, point of delivery means the point at which electric power and energy leave the utility's delivery system;
  - (G) the provision of information relating to customer usage other than as required for the rendering of a monthly electric bill, including electrical pulse service, provided however that the provision of access to pulses from a meter used to measure electric service for billing in accordance with §25.129 of this title (relating to Pulse Metering), shall not be considered a competitive energy service;

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- (H) communications services related to any energy service not essential for the retail sale of electricity;
  - (I) home and property security services;
  - (J) non-roadway, outdoor security lighting; however, an electric utility may, pursuant to an approved fully unbundled, embedded-cost tariff:
    - (i) continue to maintain lighting facilities installed prior to September 1, 2000 and lighting facilities installed as a petitioned service by the utility. Maintenance service includes the installation of replacement lighting fixtures on such lighting facilities; and
    - (ii) install and maintain utility-approved lighting fixtures that are owned by and provided to the utility by a retail customer or a retail electric provider, provided that the lighting fixtures are installed on utility-owned poles that are suitable for this purpose;
  - (K) building or facility design and related engineering services, including building shell construction, renovation or improvement, or analysis and design of energy-related industrial processes;
  - (L) hedging and risk management services;
  - (M) propane and other energy-based services;
  - (N) retail marketing, selling, demonstration, and merchant activities;
  - (O) facilities operations and management;
  - (P) controls and other premises energy management systems, environmental control systems, and related services;
  - (Q) customer-premises energy or fuel storage facilities;
  - (R) performance contracting (commercial, institutional, and industrial);
  - (S) indoor air quality products (including, but not limited to air filtration, electronic and electrostatic filters, and humidifiers);
  - (T) duct sealing and duct cleaning;
  - (U) air balancing;
  - (V) customer-premise metering equipment and related services other than as required for the measurement of electric energy necessary for the rendering of a monthly electric bill or to comply with the rules and procedures of an independent organization; and
  - (W) other activities determined to be a competitive energy service by the commission by rule or order.
- (4) **Discretionary service** — Service that is related to, but not essential to, the transmission and distribution of electricity from the point of interconnection of a generation source or third-party electric grid facilities, to the point of interconnection with a retail customer or other third-party facilities. This term also includes emergency services provided by an electric utility on customer facilities pursuant to §25.343(g) of this title.
- (5) **Distribution** — For purposes of §25.344(g)(2)(C) of this title (relating to Cost Separation Proceedings), distribution relates to system and discretionary services associated with facilities below 60 kilovolts necessary to transform and move electricity from the point of interconnection of a generation source or third-party electric grid facilities, to the point of interconnection with a retail customer or other third-party facilities, and related processes necessary to perform such transformation and movement. Distribution does not include activities related to transmission and distribution utility billing services, additional billing services, transmission and distribution utility metering services, and transmission and distribution customer services as defined by this section.

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- (6) **Electrical pulse (or pulse)** — The impulses or signals generated by pulse metering equipment, indicating a finite value, such as energy, registered at a point of delivery as defined in the Tariff for Retail Delivery Service.
- (7) **Electrical pulse service** — Use of pulses for any purpose other than for billing, settlement, and system operations and planning.
- (8) **Electronic data interchange** — The computer-application-to-computer-application exchange of business information in a standard format.
- (9) **Energy service** — As defined in §25.223 of this title (relating to Unbundling of Energy Service).
- (10) **Generation** — For purpose of §25.344(g)(2)(A) of this title, generation includes assets, activities, and processes necessary and related to the production of electricity for sale. Generation begins with the acquisition of fuels and their conversion to electricity and ends where the generation company's facilities tie into the facilities of the transmission and distribution system.
- (11) **Pulse metering equipment** — Any device, mechanical or electronic, connected to a meter, used to measure electric service for billing, which initiates pulses, the number of which are proportional to the quantity being measured, and which may include external protection devices. Except as otherwise provided in §25.311 of this title (relating to Competitive Metering Services), pulse metering equipment shall be considered advanced metering equipment that shall be owned, installed, operated, and maintained by a transmission and distribution utility and such ownership, installation, operation and maintenance shall not be a competitive energy service.
- (12) **Stranded cost charges** — Competition transition charges as defined in §25.5 of this title (relating to Definitions) and transition charges established pursuant to PURA §39.302(7).
- (13) **System service** — Service that is essential to the transmission and distribution of electricity from the point of interconnection of a generation source or third-party electric grid facility, to the point of interconnection with a retail customer or other third-party facility. System services include, but are not limited to, the following:
  - (A) the regulation and control of electricity in the transmission and distribution system;
  - (B) planning, design, construction, operation, maintenance, repair, retirement, or replacement of transmission and distribution facilities, equipment, and protective devices;
  - (C) transmission and distribution system voltage and power continuity;
  - (D) response to electric delivery problems, including outages, interruptions, and voltage variations, and restoration of service in a timely manner;
  - (E) commission-approved public education and safety communication activities specific to transmission and distribution that do not preferentially benefit an affiliate of a utility;
  - (F) transmission and distribution utility standard metering and billing services as defined by this section;
  - (G) commission-approved administration of energy savings incentive programs in a market-neutral, nondiscriminatory manner, through standard offer programs or limited, targeted market transformation programs; and
  - (H) line safety, including tree trimming.

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- (14) **Transmission** — For purposes of §25.344(g)(2)(B) of this title, transmission relates to system and discretionary services associated with facilities at or above 60 kilovolts necessary to transform and move electricity from the point of interconnection of a generation source or third-party electric grid facilities, to the point of interconnection with distribution, retail customer or other third-party facilities, and related processes necessary to perform such transformation and movement. Transmission does not include activities related to transmission and distribution utility billing system services, additional billing services, transmission and distribution utility metering system services, and transmission and distribution utility customer services as defined by this section.
- (15) **Transmission and distribution utility billing system services** — For purposes of §25.344(g)(2)(E) of this title, transmission and distribution utility billing system services relate to the production and remittance of a bill to a retail electric provider for the transmission and distribution charges applicable to the retail electric provider's customers as prescribed by PURA §39.107(d), and billing for wholesale transmission service to entities that qualify for such service. Transmission and distribution utility billing system services may include, but are not limited to, the following:
- (A) generation of billing charges by application of rates to customer's meter readings, as applicable;
  - (B) presentation of charges to retail electric providers for the actual services provided and the rendering of bills;
  - (C) extension of credit to and collection of payments from retail electric providers;
  - (D) disbursement of funds collected;
  - (E) customer account data management;
  - (F) customer care and call center activities related to billing inquiries from retail electric providers;
  - (G) administrative activities necessary to maintain retail electric provider billing accounts and records; and
  - (H) error investigation and resolution.
- (16) **Transmission and distribution utility customer services** — For purposes of §25.344(g)(2)(G) of this title, transmission and distribution customer services relate to system and discretionary services associated with the utility's energy efficiency programs, demand-side management programs, public safety advertising, tariff administration, economic development programs, community support, advertising, customer education activities, and any other customer services.
- (17) **Transmission and distribution utility metering system services** — For purposes of §25.344 of this title, services that relate to the installation, maintenance, and polling of an end-use customer's standard meter. Transmission and distribution utility metering system services may include, but are not limited to, the following:
- (A) ownership of standard meter equipment and meter parts;
  - (B) storage of standard meters and meter parts not in service;
  - (C) measurement or estimation of the electricity consumed or demanded by a retail electric consumer during a specified period limited to the customer usage necessary for the rendering of a monthly electric bill;
  - (D) meter calibration and testing;
  - (E) meter reading, including non-interval, interval, and remote meter reading;
  - (F) individual customer outage detection and usage monitoring;

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- (G) theft detection and prevention;
- (H) installation or removal of metering equipment;
- (I) the operation of meters and provision of information to an independent organization, as required by its rules and protocols; and
- (J) error investigation and re-reads.