



Billing Simulator Project

Budget Standards and Performance Subcommittee

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Strategy

- ✓ Billing System Strategy
 - *Build a foundation for a new billing system based on a flexible, rule-based architecture.*
 - *Integrate billing system with other Finance functions (Credit, Accounting, etc.)*
 - *Increase the speed in which settlement calculations are performed*
- ✓ Improve access to billing data for customers and other applications.



Project Background

✓ Billing Simulator Project

Target for project is to include in the billing simulator by end of 2005 those business rules currently reflected in NYISO settlement calculations. These enhancements to the billing simulator will be used by the NYISO Team to proactively review and analyze historical data and proposed rule changes.

It will allow the review of changes to billing and historical data prior to creating a bill and provide the foundation for a new billing and settlement system.



Billing Simulator - Why

- ✓ KPMG Audit Recommendation
- ✓ Incorporated in the NYISO Mission Statement
 - *IT Systems must support rapid evolution*
 - *IT Systems must provide world-class customer service*
- ✓ Incorporated in the NYISO Strategic Plan
 - *Continuously **evolve market systems** employing emerging or state-of-the-art technologies **via the IT Enterprise Architecture Plan***
 - *Produce Cost-Effective system solutions that embody the principles of*
 - ✧ Open Architecture,
 - ✧ Scalability,
 - ✧ Interoperability, and
 - ✧ Flexibility



Billing Simulator

✓ Deliverables/Benefits

- *Ability to analyze billing changes on market participant-, market segment- or NYISO-wide levels*
- *Ability to quantify the financial impacts of business rule modifications on specific market segments and market participants*
- *Pro-actively analyze and mitigate risks to the market based on the financial condition of specific market participants*



Billing Simulator

✓ Current Use

- *Supplement the NYISO's final bill process by providing accurate invoice-level adjustments for settlement rule modifications that were not made in the Billing and Accounting System*
- *Used as an auditing tool to verify the current BAS settlement calculations are consistent with the business rules*

✓ Current State

- *Application currently has approximately 45 settlement rules incorporated, which primarily focus on power supplier settlements*
- *A joint Development and Quality Assurance team has been assembled to complete the remaining 109 settlement calculations, with completion targeted by the end of the year*
- *Included in the 109 settlement calculations are the remaining legacy, as well as, all SMD2 settlement rules*
 - ✧ *i.e. Reserve Markets, Schedule Types*



Billing Simulator

✓ End-State Vision

- *Used as a tool by NYISO Credit and Customer Settlement departments to pro-actively analyze and quantify financial impacts of settlement rule modifications*
- *Used in conjunction with the Data Warehouse (DSS) to allow Market Participants to quantify the impact of settlement rule changes on their assets*
- *Provide the foundation for the development of a new Billing and Accounting system by leveraging the technology, architecture, skills and knowledge already acquired*



Billing Simulator

✓ Next Steps

- *Complete the 2005 Plan on Schedule*
- *Meeting/Exceeding Customer Expectations*
- *Prepare 2006 Plan and Budget*
 - ✧ Investigate User Interface Options
 - ✧ Investigate Developer Tool Sets
 - ✧ Migration Plan for Settlements Support Functions
 - ✧ Identify Data Source