

Consolidated Invoice Redesign Project & Requirements Overview

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Project Background

- The Consolidated Invoice application requires a redesign to support the changing business processes of the Customer Settlements Department and to align with the NYISO technology footprint.
- The current application is not scalable or flexible, resulting in limitations to functionality and application evolution which increases the need for manual processes.
- This technology migration will enable the Consolidated Invoice application to support monthly or less than monthly Flexible Invoicing Periods (FIP).



Requirements Process

- Reviewed previously submitted MP issue/enhancement requests
- Reviewed Market Participant feedback received in 2009 to support accelerated cash clearing
- Internal requirements definition in process
- Review requirements, prototypes, etc with Market Participants



High-Level Requirements



High-Level Requirements

- Settlement Calculations
 - Daily settlements can be invoiced on a FIP or Monthly billing period
 - Monthly settlements will remain monthly
 - Details included in previous presentations
- Enhance Payment Visibility
 - Netting of invoices by common banking dates (e.g. Requital and Disbursement dates)
 - Past due amounts
 - Overpayment amounts
 - Separate and distinct line items for Prepayments and Bad Debt Loss



High-Level Requirements

- Application design with a more robust and flexible technology
- Maintain existing support for Monthly invoicing
- Improve queries and reporting for Invoicing, Working Capital, Pre-payments, and Bad Debt Loss
- Enhance invoicing capabilities to support Flexible Invoicing Periods (FIPs)
- Focus on process improvements
 - Streamline NYISO departmental processes
 - Reduce manual processes including minimizing redundant data entry into multiple systems



Requirements and Questions



Invoice Summary

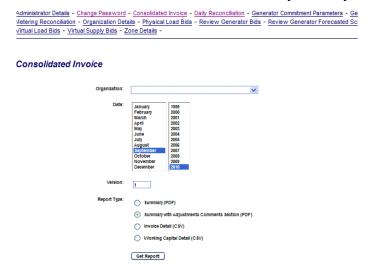
- Invoice format will be consistent for all billing periods
- May include the following billing period types:
 - FIP
 - Initial Month Settlement
 - Includes all days in a billing month regardless of whether it had been previously included on a FIP invoice
 - Four Month True-Up
 - Final Bill Close Out
- All billing periods with the same disbursement and requital dates will be included on the same invoice
- Adjustments will continue to be applied at a monthly level
- Clear distinction between draft and final invoices
- Maintain same payable convention
- Clear identification of the invoice disbursement or requital date



Invoice Summary and Details Queries

- Enhanced Invoice Summary and Invoice Detail Query Options
 - Currently user requests invoice or invoice detail by selecting a billing month and version which is included on the desired invoice
 - Update query: Based upon user requested date range; application will provide user with a listing of Invoices and associated Billing Periods within that date Range

Existing Consolidated Invoice – Invoice Summary Query Screen





Invoice Summary - Cover Page

- New invoice line items (pre-payments, bad debt loss)
- Modified settlement line items show the full amount charged/credited for each billing period <u>and</u> the amount charged/credited on previous invoiced version
- Requital date or Disbursement date will be dynamically populated as appropriate; visible on the invoice header
- Total Payment or Total Charge will be dynamically determined and labeled
- Posted Date (for 25 day), Issued Date, Requital Date and Disbursement date will be moved to the top of the invoice (currently in lower left quadrant)
- Refer to the following slides for discussion on recommended changes



Invoice Summary - Current

NYISO Market Participant Billing Summary - Invoice Date August 06, 2010

Market Participant Name:						Invoice Number:
		July 2010 Initial Settlement		March 4 Month Settle		Total
Monthly Payments/(Charges)						
Power Supplier Transmission Customer Transmission Congestion Contract Holder Transmission Owner Demand Response Customer Virtual Bidding Customer Sub Total Payment to (Charge to) Market Participant		\$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00			\$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00	\$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00
Adjustments - See Page 2 for details		\$0.00			\$0.00	\$0.00
Interest Payment to (Charge to) Market Participant		\$0.00			\$0.00	\$0.00
ICAP Payment to (Charge to) Market Participant						\$0.00
Working Capital Transactions		\$0.00				\$0.00
Current Invoice Payment to (Charge to) Market Participant		\$0.00			\$0.00	\$0.00
Balance Due on Prior Invoice(s)						
Total Payment to (Charge to) Market Participant						\$0.00
Date Posted: 08/06/2010 Payments to NYISO Due: 08/16/2010 Payments to Market Participants Due: 08/20/2010						
Working Capital Activity for the Current Month	Opening Balance \$0.00	Current Month Contributions \$0.00	Current Month Interest \$0.00	Other Transactions \$0.00	Ending Balance \$0.00	



Invoice Summary - For Discussion

	icipant Billing Summary	- Invoice Date Jur	ne 07, 2012 Invoice Number:	
Market Participant Name: H2 Energy			Invoice Number: Issued Date June 7, 2012	
	Payor	ent(s) are due to the N	·	
	9-May	9-Jan 4 Month	8-Nov 6 Morath	
	Initial Settlement	Settlement	Settlement	Total
Monthly Payments/(Charges)				
Power Supplier	\$0.00	\$0.00	\$0.00	\$0.00
Transmission Customer	(\$546,564.67)	(\$446 <i>J</i> 84.85)	(\$484 <i>6</i> 78.42)	(\$1,478,027.94)
Transmission Congestion Contract Holder	\$8,788.23	\$11,485.99	\$8,782.23	\$29,062.45
Transmission Owner	\$0.00	\$0.00	\$0.00	\$0.00
Demand Response Customer	\$0.00	\$0.00	\$0.00	\$0.00
Virtual Bidding Customer	\$0.00	\$0.00	\$0.00	\$0.00
Sub Total Payment to (Charge to) Market Participant	(\$537.776.44)	(\$435,298.86)	(\$475,890.19)	(\$1,448,965.49)
Adjustments - See Page 2 for details	\$4,444.11	\$8,764.11	\$4 _, 567.96	\$17,776.18
Interest Payment to (Charge to) Market Participart	\$0.00	\$0.00	\$0.00	\$0.00
Current Invoice Payment to (Charge to) Market Participant	(\$533,332.33)	(\$426,534.75)	(\$471,322.23)	(\$1,431,189.31)
Balance Settled on Prior Invoice	(\$521,678.88)	(\$442,561.95)	(\$434,185.68)	(\$1,398,426.51)
Prepayments	\$7,654.00			
Net Charges Payments	(\$3,999.45)	\$16,027.20	(\$37,136.55)	(\$25,108.80)
			Working Capital Transactions	
			ICAP Payment to (Charge to) Market Participant	(\$256.710.41)
			Bad Debt Loss	\$45.00
		-	Sub Total	(\$281,774.21)
			Overpsyments	
			Underpsyments	(\$4,687.00)
			Total Payment to (Charge to) Market Participant	(\$286,461.21)



Invoice Summary Report Output

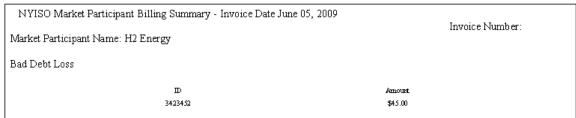
- Currently Invoice Summary provided only as PDF
- Additional report outputs (XLS, CSV)?



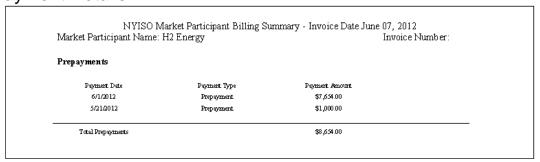
Invoice Summary - Details Page(s)

- Current detail pages for the Invoice Summary includes adjustments
- New details pages needed:
 - Pre-Payments
 - Bad Debt Loss
- Should pages be omitted or left blank if there are no items in that category?

Bad Debt Loss Details



Prepayment Details





Invoice Summary Adjustment Comments

- Currently two formats provided for Adjustment Comments
- Continue with both or reduce to one format?

NYISO Market Participant Billing Summary - Invoice Date June 07, 2010										
Market Participant Name:										Invoice Number:
Adjustments										
Adj ID Billing Month Eff Date	Rev Month	LoadRatio Date	Total MWh	Org MWh	Adj Amount	Interest	Total Adjustment	Adjustment Type	Rev Flag Src Adj ID	Comments
Total:					\$0.00	\$0.00	\$0.00			
			NYISC) Market P	articipant E	Billing Su	mmary - Inv	oice Date J	une 07, 2010	
Market Participant Name:										Invoice Number:
Adjustments Co	omments									
Adjustment ID	Adjustment	Comments								



Invoice Summary and Detail: Move Detail Data?

Discussion of Option:

- Separately provide Invoice Summary and Invoice Detail
- Invoice Summary only includes cover page
- Invoice Detail Report or Reports would include:
 - Settlement breakdowns (no change from current Invoice Detail report)
 - Adjustments with comments
 - Pre-payments
 - Bad Debt Loss



Daily Reconciliation Query

- Daily Reconciliation report supported in Marketplace and Bidpost (as a download)
 - Bidpost: No Changes
 - Marketplace: Currently user restricted to either 'Daily' or 'Month-to-Date' for either Dollar or MW reports

Existing Daily Reconciliation Query

Daily Reconciliatio	n Report		
Date Selection (mm/dd/yy	yy)		
9/1/2010 ○ Month	-to-date List Versions		
View Technical Bulletin			
Report Parameter Selecti	on		
Date Range: 9/1/2010 to	9/1/2010		
Organization:		Report Type:	h
Version: 0 ❤		Report Format: ② csv 〇 p	DF
Get Report			
Billing Version Informatio	n		
Billing Date	Version Number	Last Updated	Invoice Date
09/01/2010	0	09/02/2010	
09/01/2010	0	09/02/2010	
I			



Daily Reconciliation Query (Continued)

- Proposed Querying as follows:
 - User selects start and end date range
 - User selects report output:
 - Individual Daily Results each billing day on separate report or tab
 - Aggregate Results summation of all billing days within date range
 - Aggregate Billing Period Results summation of all billing days within date range; each billing period on separate report or tab
- Which output format preferred? (XLS, CSV)
 - Daily Reconciliation download will continue to be supported in CSV



Working Capital Query and Display

- Currently:
 - Monthly Working Capital balances and interest are available at bottom of Invoice Summary
 - All Working Capital transactions for an MP available in Detail report
 - Working Capital query does not permit user to request date range; entire history always provided
- Recommend streamlining Working Capital data for the MP
- Recommended Changes:
 - Remove working capital monthly data from bottom of invoice
 - Update Working Capital Detail Report to include data from bottom of invoice (e.g. Opening Balance, Closing Balance)
 - Include user defined date range for Working Capital Query
 - Which output format preferred (XLS, CSV)?
 - No change to Yearly Working Capital Line Item on Invoice



Working Capital Query and Display (Continued)

Existing Working Capital Detail

Working Capital	Detail for	r H2 Energy										
Type ID	-	Transaction Date	Type Description	Amount	Transaction	n Descripti	on					
	20	3/31/2010	Allocation Interest	44.87	Allocation of	of bank int	erest earne	d for March	2010.			
	20	2/28/2010	Allocation Interest		Allocation of							
	25	1/31/2010	Distributed Interest		Distribution					fund.		
	20	1/31/2010	Allocation Interest	35.56	Allocation of	of bank int	erest earne	d for Januar	y 2010.			
	60	1/31/2010	Annual Reallocation	-55875.7	2009 Annu:	al Realloc:	ation of Wo	rking Capita	ıl Fund (pei	r Attachmer	nt V of the (DATT)
	20	12/31/2009	Allocation Interest	64.12	Allocation of	of bank int	erest earne	d for Decen	nber 2009.			
	20	11/30/2009	Allocation Interest	22.02	Allocation of	of bank int	erest earne	d for Novem	ber 2009.			
	20	10/31/2009	Allocation Interest	24.25	Allocation of	of bank int	erest earne	d for Octob	er 2009.			
	20	9/30/2009	Allocation Interest	88.52	Allocation of	of bank int	erest earne	d for Septer	nber 2009.			
	20	8/31/2009	Allocation Interest	85.52	Allocation of	of bank int	erest earne	d for Augus	t 2009.			

Proposed Working Capital Detail

Working Ca	apital Detail for Hi	2 Energy				
Type ID	Transaction Date	Type Description	Amount	Transaction Description	Opening Balance	Closing Balance
20	3/31/2010	Allocation Interest	44.87	Allocation of bank interest earned for March 2010.	7853.04	7897.91
20	2/28/2010	Allocation Interest	68.61	Allocation of bank interest earned for February 2010.	7784.43	7853.04
25	1/31/2010	Distributed Interest	-2659.86	Distribution of 2009 interest earned on Working Capital fund.	10444.29	7784.43
20	1/31/2010	Allocation Interest	35.56	Allocation of bank interest earned for January 2010.	10408.73	10444.29
60	1/31/2010	Annual Reallocation	-55875.7	2009 Annual Reallocation of Working Capital Fund (per Attachment V of the OATT)	66284.43	10408.73
20	12/31/2009	Allocation Interest	64.12	Allocation of bank interest earned for December 2009.	66220.31	66284.43
20	11/30/2009	Allocation Interest	22.02	Allocation of bank interest earned for November 2009.	66198.29	66220.31
20	10/31/2009	Allocation Interest	24.25	Allocation of bank interest earned for October 2009.	66174.04	66198.29
20	9/30/2009	Allocation Interest	88.52	Allocation of bank interest earned for September 2009.	66085.52	66174.04
20	8/31/2009	Allocation Interest	85.52	Allocation of bank interest earned for August 2009.	66000	66085.52



Questions?



Proposed Commitments, Timelines and Next Steps



Proposed Commitments and Timeline

- Q4 2010:Market and Software Design
 - Targeting Market design complete by October 2010
 - Support Business Plan Market Design commitment
- July/Aug 2011: Market Trials
- Q3 2011: Phase 1 Deployment
 - Focus on technology migration
 - Enhanced invoicing capabilities
- 2012: Phase 2 Deployment
 - Continued technology migration for remaining application modules and additional prioritized functionality
- Timeline contingent on project approval through the 2011 and 2012 Project Budgeting and Prioritization Process



Next Steps

- Complete requirements definition process in October 2010
 - BAWG feedback and recommendations needed by Friday October 1, 2010
 - Email to: ksebben@nyiso.com
- Proceed with system design and implementation efforts
- Continued BAWG discussions as needed



The New York Independent System Operator (NYISO) is a not-for-profit corporation that began operations in 1999. The NYISO operates New York's bulk electricity grid, administers the state's wholesale electricity markets, and provides comprehensive reliability planning for the state's bulk electricity system.

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