

Business Principles

For

Invoicing

Xoserve Project Nexus

Submitted to

Project Nexus Workgroup (PN UNC)

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1. Glossary

Term / Acronym	Definition
AdHoc Invoicing	<u>Use of the Adhoc invoice functionality as opposed to core transportation and energy invoices.</u>
CSEP	Connected System Exit Point; meter points on an iGT network.
DCC	DataCommsCo
DECC	Department Energy Climate Change
LDZ	Local Distribution Zone
MSF	Market Sector Flag
NTS	National Grid Transmission
SME	Small & Medium Sized Enterprises
SMIP	Smart Metering Implementation Programme
SSP	Smaller Supply Point

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2. Document Purpose

The purpose of this document is to ensure that the business requirements associated with the referenced change have been accurately captured and to clearly specify these requirements to the Project Nexus UNC Workgroup (PN UNC). Adequate information should be provided to enable the industry to approve the documented requirements for Cost benefit Analysis at a later stage.

The contents refer to the business scope of the change and provide descriptions of the business requirements and the relevant existing and future process maps.

Until the approved version, this document will contain draft business rules for the different options identified by PN UNC around invoicing arrangements. These options have been documented for further discussion and clarification at the Invoicing meetings of the PN UNC Workgroups.

2.1. Intended Audience

- Xoserve
- Gas Shippers/Suppliers
- Gas Transporters
- Customer Representative

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3. Executive Summary

3.1 Introduction to the change

This document defines the principles for Invoicing of transportation charges for gas supply meter points.

The document has been based on presentations and discussions at the Project Nexus Invoicing Workgroup. The options have been documented for further discussion and clarification. All areas within the document are yet to be agreed and finalised.

All square brackets: **[]** represent areas for clarification which must be resolved by the Workgroup prior to the business rules being finalised.

3.2 Implementation Timescales

Implementation of the developed solution will be confirmed once all requirements are captured following the Project Nexus Requirements Definition Phase.

3.3 Change Drivers and Business Goals

3.3.1 Drivers

3.3.2 Business Goals

3.4 Change Background

The changes have been identified as a result of Xoserve's Project Nexus consultation for the replacement of UKLink systems and following DECC's consultation on Smart metering and Supplier licence obligation for the installation of advanced meters.

3.4.1 Areas Identified in the Initial Requirements Register (IRR)

- Fewer Adhoc and Offline invoices and invoice items (8.1)
- Introduce an invoice pre-validation process (8.2)
- Flexibility to invoice Suppliers across a range of portfolios (8.3)
- Pricing module (8.4)
- Visibility of site consumption (8.5)
- Improved User pays and Ad-Hoc invoice backing data (8.6)
- The cessation of transportation capacity costs aligned with actual meter removal dates (8.7)
- Greater level of granularity in the supporting data for invoices (8.9)

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- Internet access to the supporting data behind any of the transportation invoices (8.10)

3.4.2 Business Issues Raised during the Invoicing Workgroups

- Supporting data for the invoices does not always provide sufficient information, and at the appropriate level, to enable the charges to be validated
- Visibility of consumption data at Meter Point level for SSP is not currently available

3.4.3 UNC Impacts

- [UNC Section S](#)

3.4.4 UNC Process Impacts

3.4.5 Licence Impacts

- [None identified.](#)

3.5 Related Documents

Document Title	Location
PN UNC Workgroup	Joint Office Website

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4. Benefits

These will need to be aligned with the Transporters relevant objectives.

4.1 Industry Benefits

4.1.1 All supporting documentation issued via electronic transfer enables easier uploading of the data to Shippers' systems.

4.1.2 Uniform standards set for all large GT invoices enables ease of understanding of the invoice.

4.1.3 The ability for Shippers to segment their invoices will aid their internal business processes for analysing the data.

4.1.4 Easier validation of charges

4.1.5 Easier reporting

4.2 Disadvantages

4.2.1 Invoicing at meter point level will significantly increase the volume of data issued to Shippers.

4.2.2 Inclusion of additional/different items on the invoice may change the file formats

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5. Change Scope

5.1 In Scope

Function:

- Transportation Invoices
- UNC User Pays invoices
- Level of detail contained in the invoice
- Mechanism for the issue and delivery of invoices
- Security
- Invoice content

Market Sector:

- All directly connected supply points including CSEPs
- Daily Metered CSEPs (iGT sites above the DM Mandatory threshold)
- NTS Sites

5.2 Out of Scope

Function:

- Date of issue of invoices
- Credit terms
- Energy balancing invoices
- Incentives and Liabilities
- Financial adjustment principles
- Charge types

Market Sector:

- None identified.

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Detailed Requirements Analysis

6. Assumptions and Concerns

6.1 Assumptions

6.1.1 The business rules will need to be appropriate for dumb metered sites as well as remotely read sites

6.1.2 Continual monitoring to take place of SMIP developments to ensure alignment with parties obligations and DCC services

6.2 Process Assumptions

6.2.1 All charges will be calculated at meter point level and the data used to calculate the charge will be held at meter point level.

6.3 Dependencies

- Approval of the requirements by PN UNC
- Approval by Ofgem following the appropriate UNC Modification process

6.4 Risks/Issues

- There may be opposition to any potential Modifications raised, particularly because not all Shippers/Suppliers/Transporters attend the Workgroups or are represented.
- Introduction of fully detailed supporting information for all Meter Points will significantly increase the volumes of data being transferred between Xserve and Shippers, and may increase the validation workload and processing/storage requirements in Shippers' organisations.

6.5 Constraints

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7. Overview of Business Processes

7.1 Current Processes and Process Maps

7.2 To-Be Processes and Process Maps

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8. Business Principles

The business principles below have been derived from the Initial Requirements Register and subsequent discussions at the Project Nexus UNC Workgroup.

These principles are only aspirations at present, which have been expressed by one or more stakeholders, and are not yet supported by the consensus of the Workgroup.

8.1 Standardisation of Invoices

Deleted: General Invoicing Principles

- 8.1.1 All invoice documents and supporting information documents to be sent by electronic transfer.
- 8.1.2 All invoice documents will adhere to the standard file format.
- 8.1.3 All invoice supporting information to detail the charges at meter point level or, at a sufficient level to enable the Shipper to validate the charges.
- 8.1.4 Standard, user friendly, invoice naming to be applied across all invoices i.e. an invoice is not named after a Modification number.

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8.2 Invoice Document

8.2.1

- Option A: For each invoice, an invoice summary document detailing aggregated charges and a separate supporting document detailing charges at meter point level (8.1.3).
- Option B: An invoice document details all applicable charges for the invoice, at meter point level, any summation of charges are contained within the same document.

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8.2.2

- Option A: All Ad Hoc invoices are sent separately.
- Option B: All Ad Hoc invoices (due to be issued on the same day) are issued in one document detailing the relevant charge type.

8.3 Invoice Segmentation

- 8.3.1 Ability to segment invoices across different market sectors or between different Supplier IDs.
- 8.3.2 An additional field to be included within the invoice supporting document to enable the file to be sorted by the 'Market Sector Flag' or Supplier ID

Note: Supplier ID already exists. The additional categories for the Market Sector Flag will be included in the Supply Point Register BRD.

8.4 Invoice Charges

- 8.4.1 Removal of current scenarios where adjustments to invoice charges are calculated and sent separately due to timing or systems constraints.

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- For example, 8 days of transportation charges are currently adjusted and refunded separately when a meter point has been isolated.

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9. Transitional Rules

Transitional rules may be required to deal with the period immediately before and after the implementation of these rules.

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10. Non-Functional Business Requirements

11. Appendices

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12. Document Control

Version History

Version	Status	Date	Author(s)	Summary of Changes
0.1	Draft	12/10/2011	Xoserve	First draft
0.2	Draft	31/10/2011	Xoserve	Updated as agreed at the PN UNC Workgroup (Invoicing) on 24/10/11
<u>0.3</u>	<u>Draft</u>	<u>23/11/2011</u>	<u>Xoserve</u>	<u>Updated as agreed at the PN UNC Workgroup (Invoicing) on 22/11/11</u>

Reviewers

Name	Version	Date
Workgroup attendees		

Approval

Name	Role	Date
Reconciliation Workgroup		
PN UNC		

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