PN UNC Workgroup

Invoicing
19th September 2011

Objectives of the Workgroups

- Determine detailed business requirements
- Consider/review comments made during the Project Nexus consultation
- Review existing Modifications relevant to the topic area
- Workgroup deliverables;
  - Process maps
  - Business Requirements Document. Document to provide sufficient definition around business rules to:
    - Enable the proposed requirements to be incorporated in xoserve's investment decisions, and
    - Support the raising of any UNC Modification Proposals
- Monitor & align with latest SMIP position
- Focus will be on requirements for Project Nexus delivery

Approach & Workplan

- Agree scope
  - And areas for consideration
- Consider requirements from other relevant Workgroups;
  - Reconciliation
  - PN UNC
  - Retro Updates
- Consider any relevant live Modifications
  - 0395: Limitation on Retrospective Invoicing and Invoice Correction
  - 0398: Limitation on Retrospective Invoicing and Invoice Correction (3 to 4 year solution)
- Agree future requirements
- Develop process maps and detailed business rules

Project Nexus Consultation Responses

Ref	Requirement	Rationale	Source
8.1	Fewer adhoc/offline invoices and invoice items.	Improved ability to match to the relevant meter points.	E.ON UK
8.2	Introduce an invoice pre-validation process.	This would prevent invoices being raised and then queried. Shippers could then view reconciliations before they are invoiced and have an opportunity to suppress them before they are raised, subject to appropriate criteria.	GDF Suez
8.3	Flexibility to invoice suppliers across a range of portfolios.	Suppliers are increasingly segmenting their customer portfolios to ensure they are offering products and services that are appropriate. We would benefit from this flexibility to allow suppliers to more accurately reflect the correct energy costs to its market segments and internal profit and loss accounts / business functions.	British Gas
8.4	Pricing module.	A pricing module would offer flexibility for the implementation of different charging methodologies given the timeframe over which this new system will be operating.	National Grid Distribution
8.5	Visibility of site consumption.	Invoicing will need to distinguish between actual and deemed consumption, for all supply points. This would require a level of visibility of site consumption, to enable validation that is currently not available in SSP invoicing.	Scottish Power

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Project Nexus Consultation Responses cont.

Ref	Requirement	Rationale	Source
8.6	Improved User Pays and Ad Hoc invoice backing data.	The current User Pays invoices do not provide sufficient backing data to enable Suppliers to accurately validate their invoices.	British Gas
8.7	The cessation of transportation capacity costs aligned with actual meter removal dates.	Currently this is the voluntary withdrawal process and takes 8 days to process which means a minimum of 8 days of unwarranted capacity costs. This will ensure that charges are equitable.	GDF Suez
8.9	Greater level of granularity in the supporting data for invoices.	This would have value for the shipper. For instance the current Capacity and Commodity invoices are based on aggregates AQ values within an LDZ or Exit Zone. We need to be able to provide segmented cost reporting and we currently can not do this for our portfolio due to the structure of the invoices and their supporting files. Even if we received that as a separate monthly file that listed all of our meter points with their associated costs for the month inclusive of commodity, LDZ capacity, NTS Capacity, Reconciliation would be most helpful.	npower
8.10	Internet access to the supporting data behind any of the transportation invoices.	This would need to be read only status and be carefully constructed to ensure commercial confidentiality.	npower

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Scope??

- **In Scope**
  - Includes all Supply Points (inc CSEP's)
  - Transportation invoices
  - UNC User Pays invoices
  - Level of detail contained in the invoice supporting documentation
  - Mechanism for the issue & delivery of invoices
  - Audit trails for invoice delivery
  - Security
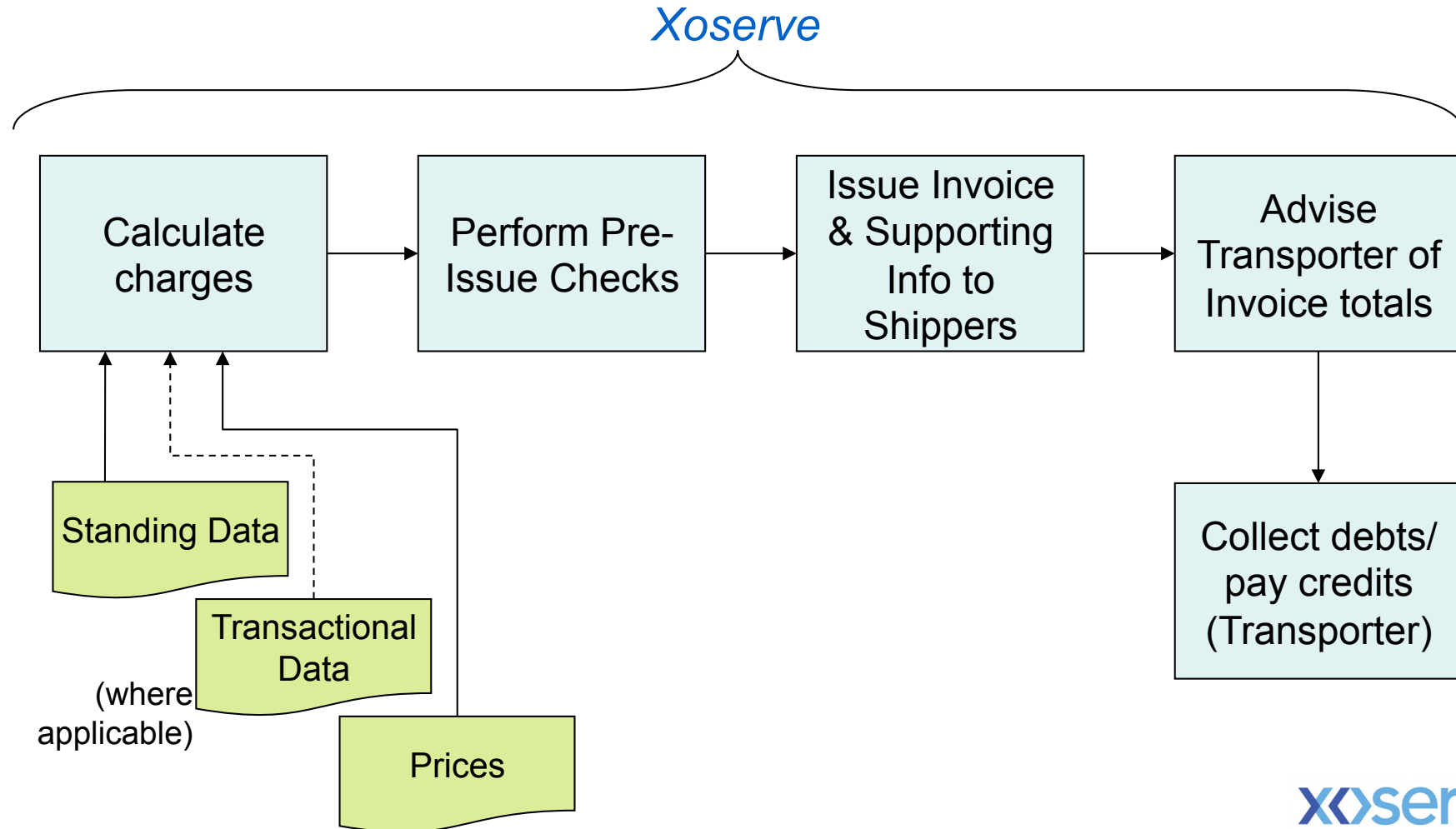
- **Out of Scope**
  - Date of issue of transportation invoices
  - Credit terms
  - Energy Balancing invoices
  - Incentives & Liabilities
  - Financial Adjustment principles
  - Invoice content
  - Charge types

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Current Invoicing Principles

Calculate charges → **Perform Pre-Issue Checks** → **Issue Invoice & Supporting Info to Shippers** → **Advise Transporter of Invoice totals** → **Collect debts/ pay credits (Transporter)**

Standing Data

Transactional Data

(where applicable)

Prices

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