

# xserve



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## PN UNC Workgroup

Invoicing  
22<sup>nd</sup> November 2011

# Objectives of the Workgroups

- To determine business requirements for future Invoicing processes
  - Consider/review comments made during the Project Nexus consultation and the high level principles agreed at the Principle Workgroup.
  - Review existing Modifications relevant to the topic area
  - Monitor & align with latest SMIP position
  - Focus will be on requirements for Project Nexus delivery
- 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

# Approach & Workplan

- Agree scope
  - And areas for consideration
- Consider requirements from other relevant Workgroups;
  - Reconciliation
  - Supply Point Register
  - 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 business principles/rules

# Project Nexus Consultation Responses

Ref	Requirement	Rationale	Source	Status
8.1	Fewer adhoc/offline invoices and invoice items.	Improved ability to match to the relevant meter points.	E.ON UK	In Draft Principles
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	Clarification Required
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	In Draft Principles
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	In Draft Principles
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	In Draft Principles

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# Project Nexus Consultation Responses cont

Ref	Requirement	Rationale	Source	Status
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	Clarification Required
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	Clarification Required
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	In Draft Principles
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	In Draft Principles

# Business Issues

- Following issues were raised at the meeting on 19<sup>th</sup> September 2011
  - 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 not currently available

# 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
- Invoice content

- Out of Scope

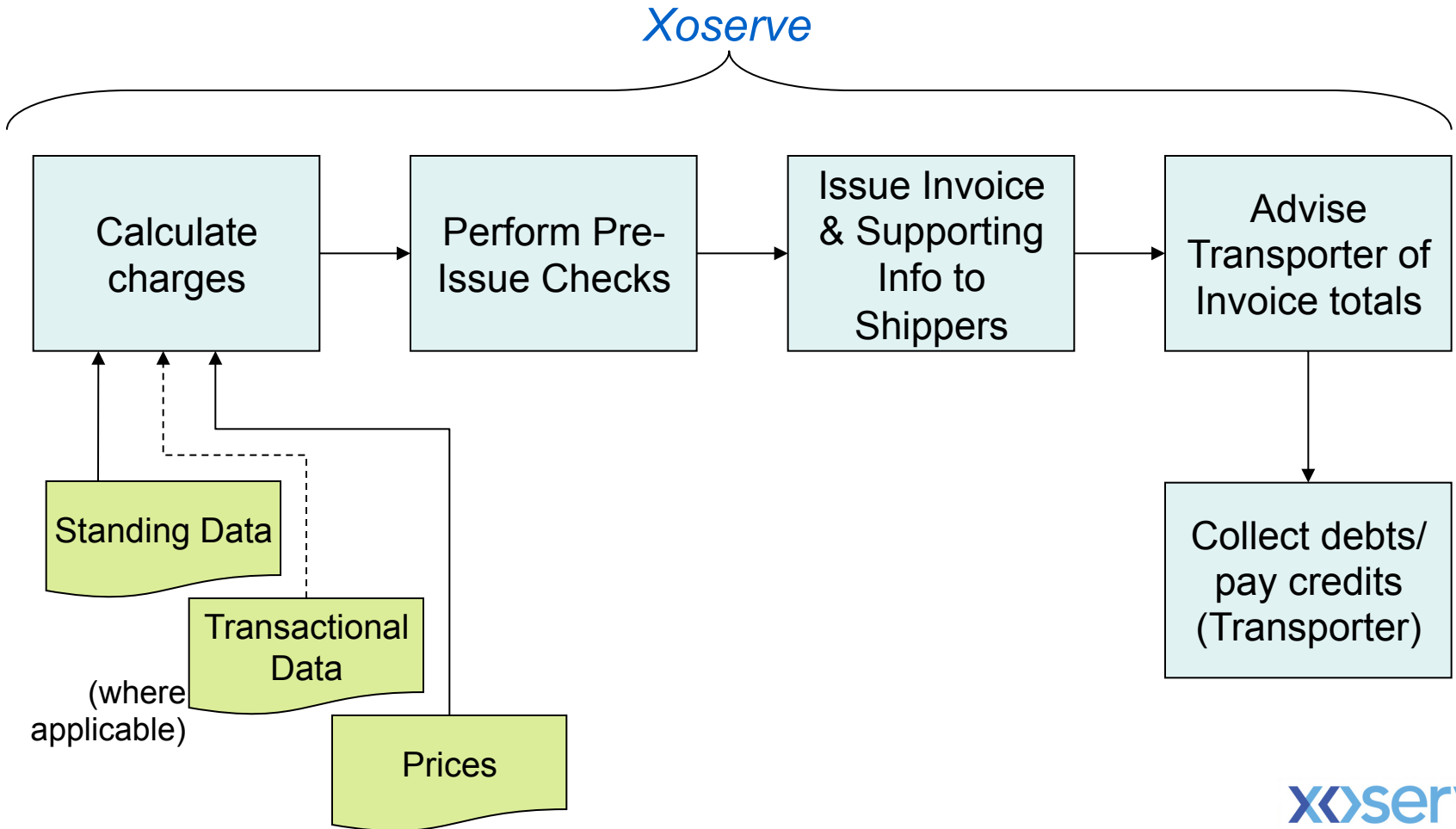
- Date of issue of transportation invoices
- Credit terms
- Energy Balancing invoices
- Incentives & Liabilities
- Financial Adjustment principles
- Charge types

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# Current Invoicing Principles



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# Objective for Today's Meeting

- Clarify remaining comments from the IRR with the originators
- Review principles drafted in v0.2 of BRD
- Key changes/agreements from v0.1
  - Clarified principle on invoice segmentation – 8.1 para 3
- Early view of industry benefits
- Agree next steps for this area