

## Settlement Timing Working Group May 19<sup>th</sup> Meeting Summary

<b>Meeting Date</b>	May 19, 2010	<b>Time</b>	10:00 – 14:00
<b>Location</b>	AUC Calgary Office #400, 425 1 Street SW Calgary, Alberta	<b>Facilitator</b>	Kirsty McDougall AESO

### 1. Introductions

Name	Organization
Tammy Haydey	EPCOR Energy Alberta
Joel Milne-Epp	EPCOR Energy Alberta
Lorne McKay	ENMAX Power
Terry Ryan	ENMAX Power
Brian Neufeld	ENMAX Encompass
Paul Gellesta	ENMAX Energy
Julia Wareing	Cognera
Keith Taylor	Cognera
Tina Dulguerov	FortisAlberta
Angela Corsi	FortisAlberta
John Hutchison	Valeo Power
David Lenz	Valeo Power
Kirsty McDougall	AESO
Lisa Lamers-Zuger	EPCOR Distribution & Transmission
Maureen Jeske	Direct Energy
Theresa Wilson	Direct Energy
Darel Davies	Utilitynet
Anne Glass	AUC
Bruce Ramsay	ATCO Electric
Bettyann Skagen	Battle River REA

Robert Thomas from the AUC announced that Kirsty McDougall from the AESO would be the new chair of the Settlement Timing Working Group. Also, any changes to Rule 021 that could be agreed upon before the end of June would be included in the next (2011) version of the rule.

## 2. Review of Progress to Date

### Statistics:

- In the previous meeting, some group members suggested that the approach used by ATCO Gas when they were asking the retailers to recommend settlement timing worked really well. ATCO Gas had provided statistics showing the level of accuracy (historically) at each month so that retailers would know what accuracy they would be gaining or losing by setting final settlement at any given month. The group decided to obtain similar statistics from electricity distributors. The AUC prepared a template that was sent to the distributors and the rest of the group for feedback.
- In the meeting, the AUC explained that the feedback had not been positive. Distributors would not be able to provide the requested information without developing special queries at a cost. If providing the information that is currently available (that coincides with settlement runs) would be sufficient, distributors could provide that, but the value of that information is questionable. For example, if the group wanted to see the effects of moving interim settlement by one month, they would not be able to do so; they would only be able to see what level of accuracy is currently experienced at interim.
- Some of the retailers had run some queries of their own.
- **ACTION:** The group decided that any parties (including retailers) who had developed queries would provide their logic to the rest of group (via Kirsty) by end of day May 27 and a common logic for a query would be developed.

### Stakeholder Objectives:

- As conflicting objectives were a barrier to coming up with a quick solution in 2009, last November the AUC asked all participants to state their organization's objectives as they relate to final settlement, PFAMs and settlement timing. The group was asked to avoid jumping ahead to solutions at this point. Also, for those participants that represent more than one division or company within their larger organization, they were asked to make it clear which company/division each objective relates to.
- The meeting summary for the November 3<sup>rd</sup> meeting listed everyone's stated objectives. The AUC then summarized them into nine objectives and provided them to the group in this meeting. They were:
  - Minimize operating costs
  - Reduce risk/financial certainty sooner
  - Align exposure with existing regulations
  - Reasonable imperfection
  - Align consequence of error with responsibility for the error
  - Improve billing accuracy
  - Improve cash flow for retailers
  - Transparency, consistency and fairness
  - Customer satisfaction

- The group decided to change the first one to “minimize costs” rather than just operating costs.
- The group discussed whether the above were all objectives or whether some of them, such as “align consequence of error with responsibility for the error”, should be called guiding principles. After discussion, the group decided not to worry what to call them and decided to refer to it as “The List”.
- **ACTION:** Group to review The List to make sure it captures their organization’s objectives and send any required changes to Kirsty by end of day May 27.
- **ACTION:** Kirsty to finalize The List and develop a rating/ranking approach for prioritizing the various items. She will send that out to the group by end of day May 28 asking each organization to provide their ratings/rankings. For those people who represent more than one organization (i.e. a regulated entity and a de-regulated one), they are asked to score The List more than once.

### 3. Settlement Timing Topics

The group discussed the following topics:

- Reduction in final settlement timing
- PFAM process
- Common causes of PFAMs

The group agreed that some aspects of settlement (such as timing) were better dealt with once data becomes available (see above). Other aspects, such as the PFAM process, could be discussed/ changed without waiting for data. The group was close to reaching consensus on the following points:

- Put the onus on the load settlement agent to identify and process all material PFAMs (based on kWh) discovered within a year of the usage period, regardless of whether it is a customer debit or credit.
- Errors discovered a year or more after the energy was used would be left up to the discretion of the retailer to identify and submit a PFAM. If a PFAM would result in a debit to the customer, and the customer would likely not pay, the retailer would not be expected to submit a PFAM, nor would a load settlement agent process one without the retailer requesting it.
- Remove the distinction between MEAs and SEAs and treat both types of PFAMs the same.

**ACTION:** Each group member to assess the impact of the above three potential changes on their organization and to determine whether or not they agree on reflection. To be reviewed at next meeting.

PFAM items to be discussed further at the next meeting:

- Creation of a more efficient and automated process for handling PFAMs.
- Change the materiality limits to kWhs – what’s appropriate in today’s market, how to avoid dealing with very small corrections.

#### 4. Next Meeting

- Thursday 17 June, 10am