

Settlements Overview

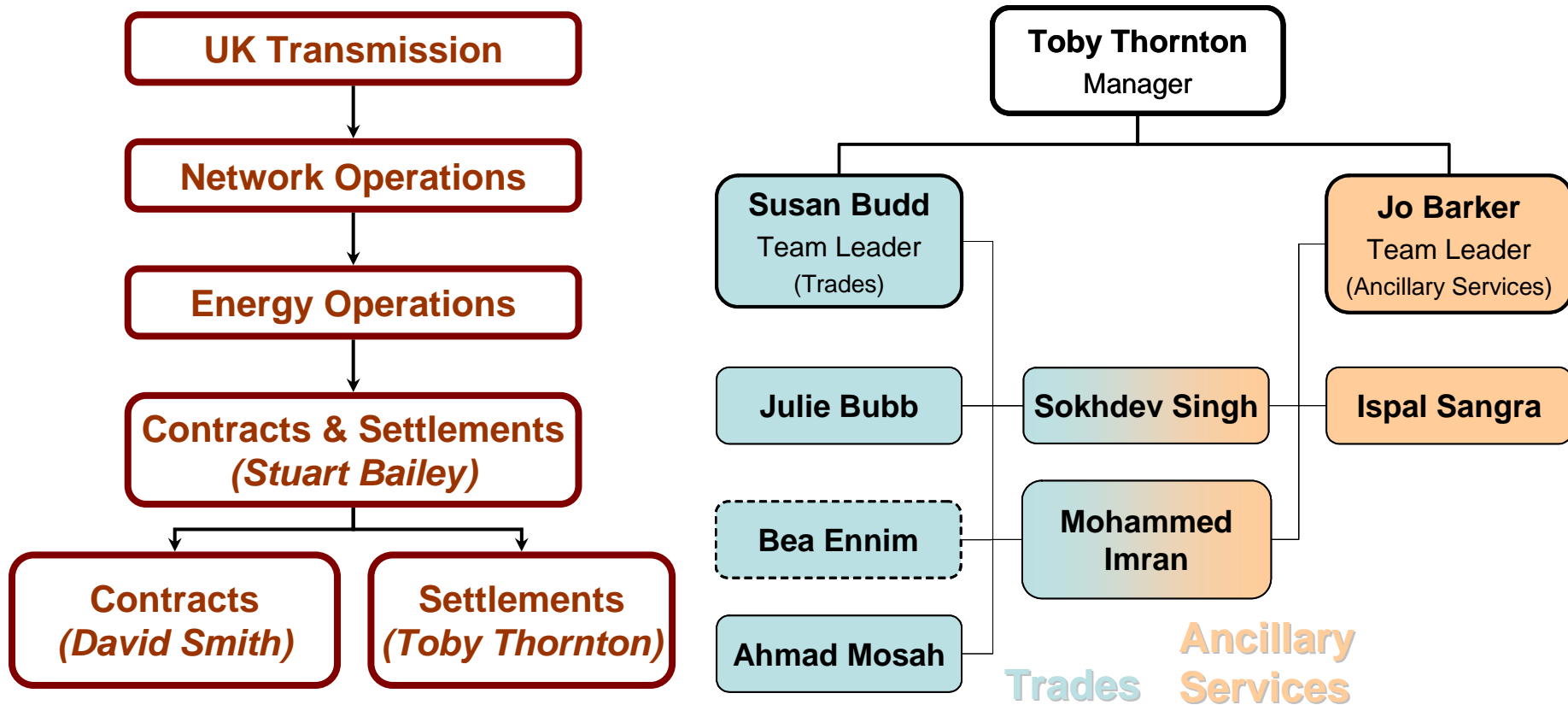
Toby Thornton
Settlements Manager

Ops Forum – 17 June 2008

Agenda

- ◆ The Settlements Team
- ◆ Information Provision
- ◆ Ancillary Services
- ◆ 'AS' Data Sent to Service Providers
- ◆ Assurance
- ◆ Developments

The Settlements Team



*Providing an effective, efficient and reliable **back-office function** for settling **balancing services** and issuing related **industry information***

Responsibilities (External Focus)

- ◆ Settlement of Ancillary Services
- ◆ Settlement of Trading for:
 - ◆ Electricity
 - ◆ Gas
 - ◆ CO₂ emissions
- ◆ Information Provision

Information Provision

DATA	BMRA	NG WEBSITE
BSAD	✓	✓
BCS	✓	✓
QAS	✓	
MaxGen		✓
PGBTs		✓
Frequency Response		✓
Standing Reserve		✓

Ancillary Services

- ◆ Calculation, payment and reporting of all Ancillary Services liabilities
- ◆ **Goals**
 - ◆ **100% accurate payments**
 - ◆ **Happy Service Providers**
- ◆ Ensure payments are correct
 - ◆ Ensure all input data is accurate and up to date
 - ◆ Working closely with all teams internally
- ◆ Ensure Service Providers can validate their payments as easily as possible
 - ◆ Help service providers understand contracts and calculations
 - ◆ Ensure the backing information is in the most useful format

Information Sent to Service Provider

- ◆ Covering letter
- ◆ Invoice
- ◆ Statement summary
- ◆ Service summaries
- ◆ By Unit summary
- ◆ Adjustments
- ◆ Detailed backing sheets

GRANULARITY	
COMPANY	UNIT
MONTH	DAY
SERVICE TYPE (7)	SERVICE DETAIL (27)
PAYMENT (£)	DATA

Statement Summary

- ◆ Payments by **service type**, by day, by company

Service Summaries – Op Margin example

- ◆ Payments by **detailed service**, by day, by company

By Unit Summary

- ◆ Month total
- ◆ By Unit
- ◆ By detailed services

Adjustments

- ◆ Recalculation of previous months' charges
- ◆ By company
- ◆ By month
- ◆ By service type
- ◆ With comments

Backing Sheets

- ◆ Detailed data reports
 - ◆ 36 types of report produced
 - ◆ 11,000 'Final run' files produced every month
 - ◆ Hundreds of files sent to each company every month
 - ◆ For each day (or within day)
 - ◆ For each unit
 - ◆ Input data as well as payment

- ◆ Post paper copies or electronic transfer
 - ◆ Posted to 45 recipients
 - ◆ E-mailed to 5 recipients

Backing Sheet Reports and Spreadsheets

SERVICE TYPE	SERVICE	ASB Settlement Database Reports			SPREADSHEETS/ ACCESS DATABASE REPORTS		
		FILENAME PREFIX	REPORT TYPE	PAYMENT BACKING INFORMATION ? (AUTOMATIC .DAT FILE)	SPREADSHEET PREFIX	REPORT TYPE	PAYMENT BACKING INFORMATION ?
PUMPED STORAGE	Firm Frequency Response	FPE	Daily	Energy costs and volumes by Unit/Settlement period	FFR	Monthly	Firm Frequency Response Availability , Positional and Window initiation payments by Unit/Day
	Optional Frequency Response	OPA	Daily	Response Availability Costs and Volumes by Unit			
		OPI	Daily	Metered Imbalance Costs and Volumes by Unit/Settlement Period			
		OPE	Daily	Response Energy Costs and Volume by Unit/Settlement Period			
	Optional Fast Start	OFS	Daily	Optional Rapid Start costs by Unit/Instruction			
	Optional Pump Deload	OPD	Daily	Costs by Unit/Instruction			
	Optional Spin Gen	OSG	Daily	report by Unit/Instruction	Spin_Gen_Reclaim	Monthly	Spin Gen payments reclaimed during periods of Firm Fast Reserve
Optional Spin Pump	OSP	Daily	Report by Unit/Instruction	Company name	Monthly	Manual Spin Gen payments	
FREQUENCY RESPONSE	Optional Frequency Response	GRD	Daily	Availability Costs and Volumes by Unit			
		GRE	Daily	Optional/Firm Frequency Response Response Energy Costs and Volume by Unit/Settlement Period			
	Firm Frequency Response	GRE	Daily	Optional/Firm Frequency Response Response Energy Costs and Volume by Unit/Settlement Period	FFR	Monthly	Firm Frequency Response Availability , Positional and Window initiation payments by Unit/Day
	FCDM					Monthly and Daily	Monthly Summary of payments by day and by unit
RESERVE	STOR	SBA	Daily	BM Availability costs by Unit/Settlement period			
		SBU	Daily	BM Utilisation delivery volumes			
		SBF	Daily	BM Event of Default report			
		SBD	Monthly	Monthly BM payment summary by Unit/Day			
		SBC	Monthly	Monthly BM payment summary by Unit			
		SBR	Annually	Annual BM term availability reconciliation			
		SBS	Seasonally	Seasonal BM delivery reconciliation			
		SNA	Daily	NBM Availability costs by Unit/Settlement period			
		SNU	Daily	NBM Utilisation payment and delivery volumes			
		SNF	Daily	NBM Event of Default report			
		SND	Monthly	Monthly BM payment summary by Unit/Day			
		SNC	Monthly	Monthly BM payment summary by Unit			
		SNR	Annually	Annual BM term availability reconciliation			
		SNS	Seasonally	Seasonal BM delivery reconciliation			
	SFD	Financial Year	INTERNAL report detailing all failures for all service providers. (Enables STOR service to be monitored and monthly penalty to be computed).				
	SSD	Financial Year	INTERNAL report detailing all service call-offs for all service providers. (Enables delivery of STOR service to be monitored).				
	SFT	Financial Year	INTERNAL report detailing the number of events of default by type/week (NOT Used as does not provide information to implement the monthly penalty)				
SFE	Financial Year	INTERNAL report detailing the number of events of default by season (NOT Used as does not provide information to implement the monthly penalty)					
SFS	Financial Year	INTERNAL report detailing the number of windows impacted by events of default by season (NOT Used as does not provide information to implement the monthly penalty)					
BM Start-Up	WHA	Daily	BM Start-up and Hot Standby Payments by Unit/Instruction				
Demand Management				Provider Name	Monthly	Summary of Availability and utilisation payments	
Fast Reserve				FastReserve	Monthly	Firm Fast Reserve Availability , Positional and Window initiation payments by Unit/Day	
Fast Start	GTA	Daily	Daily availability report				
	GTUM	Daily	Daily utilisation report				
REACTIVE	Obligatory	RDC	Daily	No Longer Relevant			
	Enhanced	RDU	Daily	Default Utilisation payments and MVarH by Unit/Day			
		RKA	Daily	Market Availability payments by Unit/Day			
	Market Tender	RKS	Daily	Market Synchronised Availability payments by Unit/Day			
		RKU	Daily	Market Utilisation payments and MVarH by Unit/Day			
SYSTEM SECURITY	Constraints				Constraints	Monthly	Summary of Availability and utilisation payments
	Intertrips				CAP 76	Monthly	Monthly Charge by station
	SO-SO Service	IVR	Daily	Volumes by settlement period at "Mid-Channel/Mid-Point" and at England (Not Sent - Used for DSR agreement)			
		IPA	Daily	Costs and volumes by settlement period for services supplied from Abroad (Not Sent)			
		IPH	Daily	Costs and volumes by settlement period for services supplied by National Grid (Not Sent)			
		IMD	Monthly	Monthly Payment summary by Service/Day in sterling (Only sent to providers who bill in sterling)			
		ICB	Monthly	Monthly Payment summary by Service in sterling (Not Sent)			
Maximum Generation				NGC_CALC	Monthly	Payment /Volumes by Service and Settlement Period in Euros	
Black Start				Maxgen	Monthly	Monthly summary of Maxgen costs	
ENERGY	PGBT			Black Start	Monthly	Payment by Station/Day	

Summary of Data Provided

GRANULARITY OF INFORMATION	COMPANY		MONTH		SERVICE TYPE		PAYMENT (£)	
	COMPANY	UNIT	MONTH	DAY	SERVICE TYPE	SERVICE DETAIL	PAYMENT (£)	DATA
Invoice	C		M				P	
Adjustments	C		M		T		P	
Statement summary	C			D	T		P	
Service summaries	C			D		D	P	
Pivot Table		U	M			D	P	
Backing reports / spreadsheets		U		D		D		D

Assurance

- ◆ ISO 9001
 - ◆ Processes and procedures
 - ◆ Continuous improvement
- ◆ External audits
 - ◆ Data quality
- ◆ Sarbanes-Oxley
 - ◆ Procedures and data
 - ◆ Key risks and controls
- ◆ Internal audits

Developments

- ◆ Electronic transfer to all service providers
 - ◆ E-mails with password protected files
- ◆ Improved format for data transfer
 - ◆ Maybe just one (big) file for each service
 - ◆ Request feedback from service providers
- ◆ More information on website
 - ◆ 'AS' settlement timetable
 - ◆ Explanatory guides for statements
 - ◆ Contact details
 - ◆ Dedicated e-mail: settlement.queries@uk.ngrid.com

Invitation

- ◆ To meet your settlement teams to discuss:
 - ◆ Calculation of payments
 - ◆ Provision of data – format, media...
 - ◆ How you use the data issued with statements
 - ◆ Specific issues
 - ◆ Anything else you need to give you a solid assurance of the correct payments, for the services you provide, as quickly and effectively as possible

Any Questions ?

Please contact:

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