



THE POWER OF POSSIBILITY

May 6, 2003

Dear Market Participants:

Re: Notice of Settlement System Code Changes

The AESO is pleased to provide notice of upcoming changes to the Settlement System Code version 9.1. This notice is intended to provide market participants with information and lead time to allow implementation of changes in advance of formal code approval. These code changes have been developed with Alberta Settlement Committee stakeholder consultation. The changes will be brought forward for formal approval in June 2003.

The new code includes changes to Section 5.3 - Post Final Adjustment Mechanism (PFAM) to incorporate improvements to the existing process; addition of Appendix C - Compliance Monitoring Standards to incorporate reporting standards; and amendments to Schedule B.6.1.1 DIM to improve definition of metering status codes. Attached are the revisions to the sections in the Settlement System Code.

Please direct any questions regarding these upcoming changes to Katrina Ferguson, Senior Analyst, Load Settlement at (403) 705-3183.

Regards,

Peter J. Wong
Director, Load Settlement

5.3 Post Final Adjustment Mechanism (PFAM)

5.3.1 Scope

- a) PFAM shall only be applicable to load settlement related transactions dating from and after January 1, 2001. Any errors identified for the period before January 1, 2001 should be addressed by the claimant to the relevant organization(s) responsible for settlement at that time.
- b) PFAM may be used by the following participants: Retailers, LSAs, MDMs, WOs, WSPs, Pool, and the TA. Where an end use customer seeks a remedy through the PFAM process they must raise the error through their retailer of record for the period in dispute.
- c) Once the PFAM reference # has been assigned for a claimed error, no further PFAM claims from any party will be allowed for that site error; however, parties may at their discretion pursue other remedies in respect of a claimed error.
- d) System level errors may be included in the PFAM mechanism.
- e) PFAM will not provide WSD data or any other output of settlement.

5.3.2 Communications

- a) Each participant utilizing the PFAM process shall designate one individual as its primary contact point for PFAM communications.
- b) The LSA in each settlement area shall act as the conduit for the handling of PFAM claims. In all cases, the relevant LSA shall receive communications from each claimant party (“complainant”), and shall send all relevant communications back to the complainant party, in accordance with the provisions of this Code.
- c) Each LSA shall ensure that systems and procedures are established and maintained within their operations sufficient to track and process PFAM error claims on a timely basis in accordance with the provisions of this Code.

5.3.3 Process

a) Error Submitted to LSA

- 1. Claimed PFAM errors must be submitted by the complainant party to the LSA responsible for the relevant settlement area, using the PFAM claim form in section 5.3.8. The claim form shall be submitted electronically, in the prescribed format and with all required information.

2. Upon receipt of a claim form, the LSA will assign a unique PFAM reference number to the claim for tracking and processing purposes.
3. The LSA must send an electronic “receipt-notice” to the complainant party within two business days of receiving the claim form. The receipt notice will include the PFAM reference number assigned to the claim, and will confirm that the claim form has been received, will advise whether sufficient preliminary information has been submitted in relation to the claim and, if sufficient information has been included, will advise whether the LSA or some other specified party will be handling the investigation and assessment of the claim.
4. Where the submitted claim form is incomplete or otherwise lacks information required to commence an investigation of the claimed error, the LSA, after advising the complainant of the deficiency, shall not be required to take any further steps in respect of the claim unless a completed claim form is received.
5. A claim form re-submitted by a complainant to address any format or information deficiency shall carry the PFAM reference number initially assigned by the LSA in respect of the relevant claim.

b) Identification of Investigating Party

1. Upon receipt of a claim form in the prescribed format and with all information required to commence investigation of error claim, the LSA shall make an initial determination as to whether the claimed error falls directly within the settlement responsibilities of that LSA or of some other party; responsibility for investigation of the claimed error shall rest with the party bearing related settlement responsibility (“investigating party”), as determined by the LSA.
2. Where the claimed error pertains to settlement responsibilities of that LSA, then the LSA shall be responsible for investigation and assessment of the claim.
3. Where the claimed error pertains directly to settlement responsibilities of a party other than the LSA, then the LSA shall immediately refer the claim to the relevant party for investigation and assessment of the claim. The LSA is not responsible for the action or inaction of that other party.
4. The assessment in respect of a claim shall be referred to as the “Decision”.
5. The investigating party, where other than the LSA, may at its discretion communicate directly with the complainant for the purposes of investigation of the claim; however, the Decision in respect of the claim shall in all cases be communicated to the LSA, which shall then in turn communicate the Decision to the complainant accordingly.

6. All error claims shall be investigated and assessed, and the Decision communicated back to the complainant party on a timely basis following the receipt of the claim form in prescribed format and content by the LSA.

c) Discretion of Investigating Party

1. The investigating party shall have the primary responsibility and discretion for rendering a determination as to whether the claim of error is valid and to what extent, and whether it should be addressed through the PFAM process, in accordance with the provisions of this Code.
2. In addition, where the claim is determined to be frivolous or vexatious, the LSA or other party responsible for investigation of claim may upon making such determination dismiss the claim without further investigation on that basis, in accordance with the provisions of this Code.

d) Claim Determined to be Frivolous or Vexatious

Where the LSA or other investigating party determines at its discretion that a claim of error is frivolous or vexatious, including, without limitation of the foregoing, where a claimed error duplicates another claim in relation to the same site, such Decision shall be documented by the LSA, the claim shall be deemed to have been dismissed, and the LSA shall advise the complainant accordingly.

e) Investigating Party Disagrees with Claim

Where the investigating party disagrees that the claimed error should be processed through PFAM in some fashion, such Decision shall be documented by the investigating party and provided to the LSA, and the claim shall be refused on that basis. The LSA shall communicate this Decision and the basis for the assessment to the complainant who submitted the error claim, by completing and returning the relevant claim form as applicable.

f) Investigating Party Agrees with Claim

1. Where the investigating party agrees that the claimed error should be processed through PFAM, such Decision shall be documented by the investigating party and provided to the LSA, and the claim shall be accepted to such extent on that basis. The LSA shall communicate this Decision and the basis for this assessment to the complainant who submitted the error claim, by completing and returning the relevant claim form as applicable.
2. In accordance with the Decision accepting the claim, and the provisions of this Code, the LSA shall calculate the appropriate Retailer Specific Adjustment (RSA), Retailer Adjustment to Market (RAM) and Transmission Administrator Adjustment (TAA) as applicable.

3. The agreed PFAM adjustment(s) shall be forwarded to the Pool by the LSA.

g) LSA to Notify Affected Parties

In all cases where the claim has been dismissed, rejected or accepted, the LSA shall ensure that all other parties affected by the determination of the claim are duly notified in writing of the Decision. Such written communication may be in electronic form.

h) Proof of Notification

In all circumstances, the onus for proof of required communication of the Decision to the complainant party and other affected parties shall rest with the LSA.

5.3.4 Dispute Resolution

- a) Where the complainant party or any other affected party does not agree with a Decision in respect of a claim, they may invoke the dispute resolution process in accordance with the provisions of this Code.
- b) The PFAM adjustment transaction specified by the investigating party and communicated by the LSA to the Pool will be processed through PFAM at the time of Decision, but may be subject to later review if the dispute resolution process is invoked.
- c) If the complainant or any other affected party wishes to dispute the Decision, they must notify the LSA as to the details of their dispute (Notice of Dispute) in writing, within 10 business days immediately following receipt of the Decision.

5.3.5 Types of PFAM Claims

This section will become effective October 1, 2003.

- a) Those PFAM claims that refer to errors that are governed by the rules and regulations of Measurement Canada are referred to as Measurement Error Adjustments (MEA). These include any type of meter error, including but not limited to meter breakdown, incorrect multiplier, and faulty meter read. For the purposes of this Code, MEAs will also include a meter read that is missing by Final Settlement. While these errors are therefore exempt from 5.3.6 and 5.3.7, all other provisions in this Code will apply to MEA PFAM claims.
- b) Those PFAM claims that refer to errors that are not governed by the rules and regulations of Measurement Canada are referred to as Settlement Error Adjustments (SEA). These include settlement errors, including but not limited to

enrollment errors, profile errors, loss class errors, and WSD totals that do not match the meter read.

5.3.6 Time Limit for the submission of PFAM Claims

This section will become effective October 1, 2003.

- a) MEA PFAM claims are subject to the time limits imposed by Measurement Canada.
- b) SEA PFAM claims shall only be accepted if the claim is submitted by the complainant party to the LSA by 23:59 on the 10th business day of the 9th month following the month being disputed

5.3.7 Materiality Limit for PFAM Claims

This section will become effective October 1, 2003.

- a) MEA PFAM claims are subject to the time limits imposed by Measurement Canada.
- b) SEA PFAM claims for sites that are eligible for the Regulated Default Supply may only be submitted for values above \$15 per site per PFAM claim. SEA PFAM claims for sites that are not eligible for the Regulated Default Supply may only be submitted for values above \$250 per site per claim.

5.3.8 Processing of PFAM Adjustments

- a) The LSA is responsible for calculating RSA, RAM and TAA, as specified below, in relation to each error claim, as applicable, and for submitting those adjustments to the Pool. Any Decision agreed to by the LSA or communicated to the LSA by the investigating party 13 business days prior to the Pool's preliminary statement issue date must be sent to the Pool not less than 8 business days prior to the Pool's preliminary statement issue date. The preliminary statement issue date is as set by the Pool, pursuant to its rules.
- b) The following transactions are specified to be included in PFAM: RSA, RAM and TAA, as set out below.

1. Retailer Specific Adjustment (RSA)

- A. The RSA calculation specifies the specific hourly adjustment to energy for each Retailer; this adjustment may be either positive or negative and may or may not be bi-lateral. Bi-lateral errors will be re-allocated between the two parties, while non bi-lateral errors will be re-allocated through RAM. The RSA amount will be applied to the retailer of record for the site at the time of the error
- B. A consolidated file for total RSA within each LSA settlement area will be sent by the LSA to the Pool every month. At the same time, the detail as to specific adjustments will be transmitted by the LSA to each relevant Retailer, as applicable.
- C. Customers directly connected to the transmission system as described in section 4.2.1 b) of this Code (“Direct Connect customers”) are eligible for RSAs.
- D. The offsetting adjustment for system level meter errors will be made through the TAA.

2. Retailer Adjustment to Market (RAM)

- A. The RAM calculation takes the sum of all non bi-lateral RSA adjustments and allocates the total across all Retailers in the relevant settlement area in accordance with section 5.3.5 b)2.D., and in accordance with other provisions of this Code. Details of the RAM calculation shall be transmitted by each LSA to the Pool on a monthly basis.
- B. RAM is allocated across the service area for which an LSA, as identified in the Code by Settlement ID, conducts load settlement calculations thus, re-allocations of energy consumption will be linked to the geographic location in which they occurred.
- C. Load attributed to Direct Connect customers will be included in the allocation of RAM for settlements related to 2001 only, in accordance with section 4.2 of this code.
- D. RAM is not disputable through the PFAM process as it relates to the aggregate adjustment for error calculation underlying the RAM calculation. Parties who wish to dispute their particular load allocation (apportionment of RAM) may pursue a remedy through the dispute resolution process.

- E. The Pool shall use the final settlement data included in the preliminary statement, as described in 5.3.7 a), to allocate RAM amongst the retailers in the relevant settlement area.
- F. The LSA shall separate the RAM charges for 2001 errors from all other errors, and provide the separated values in two files for the Pool.

3. Transmission Administration Adjustment (TAA)

The TAA calculation specifies system level meter errors that have been brought forward to the PFAM process. Details of the TAA calculation shall be transmitted by each LSA to the Pool on a monthly basis. The Pool will then make the necessary adjustments in billings to the Transmission Administrator; such adjustments may be either positive or negative.

5.3.9 Transaction Mechanism and File Format

The RSA, RAM and TAA transaction files will be provided to the Pool in CSV format by the LSAs, via DropChute™. Each Retailer's specific RSA calculation will also be sent to them by the LSAs in CSV format via DropChute™.

5.3.10 Pool Financial Adjustments

- a) PFAM adjustment calculations submitted by the LSA to the Pool pursuant to 5.3.5 a) will be included on the Pool's preliminary statement. Where these timelines are not met, the adjustment will be made on the following month's preliminary statement from the Pool.
- b) The Pool shall accept the PFAM adjustments submitted by the LSA and apply the relevant historic Pool price to the data in order to arrive at the applicable financial adjustment(s) for the RSA, RAM and TAA.
- c) The financial adjustments and allocations will be included on the relevant Pool statements and shall be payable by each party in accordance with the provisions of this Code.

5.3.11 Post Final Adjustment Mechanism (PFAM) Claim Form

LSA Contact Information		Status (mark with an "x")	
Contact Name: _____	Company Name: _____	AGREE	<input type="checkbox"/>
Phone Number: _____	Email Address: _____	DISAGREE	<input type="checkbox"/>
		DISMISSED (not investigated)	<input type="checkbox"/>
Type of PFAM Error (check one):		Measurement Error Adjustment (MEA)	
Settlement Error Adjustment (SEA)			
(Grey shaded sections to be completed by Complainant - Everything other than fields marked "optional" must be completed)			
Complainant Information:		Date of Complainant Request: _____	
Contact Name: _____	Company Name: _____	Time Period From: _____	
Phone Number: _____	Email Address: _____	To: _____	
SITE ID #		Affected Parties Information (if known)	
Retailer ID #		Contact Name: _____	
SITE ADDRESS		Company Name: _____	
(optional)		Phone Number: _____	
		Email Address: _____	
Details of Problem:			
Please submit original data and background information regarding error including \$ and kWh estimates:			
Reasons for "disagree" by respondent:			
Response Date: _____		Signature of Respondent: _____	
Date sent to Power Pool by LSA: _____		Respondent Name: _____	
(if claim is "agreed" to by Respondent)		Phone Number: _____	
		Email Address: _____	

B.6.1.1 Daily Interval Meter Readings to Retailers and Settlement (abbreviated DIM)

Process Rules

- a) Gaps are not acceptable.
- b) If a record is to be replaced, a replacement interval is provided. There is no distinction that it is a replacement record.
- c) Status flags are mandatory for inclusion with all DIM transactions.

Transaction (Abbreviation)	Element (in sequence)	Data Type/Size	Description
Daily Interval Meter Readings (DIM)	Transaction Abbreviation	'DIM'	Abbreviation for the transaction name
	Transaction Date time	Date time format	Latter of the time the transaction was created or last modified
	MDM ID	MDM ID format	Sender (MDM responsible to read the meter)
	Retailer ID	Retailer ID format	Recipient (retailer currently associated to the Site)
	Business Function ID	Varchar (2)	Optional at the discretion of the WSP
	Settlement ID	Settlement ID format	Recipient (LSA responsible to settle the load within the Zone)
	Site ID	Site ID format	See definition in Universal Standard section of this document
	Socket ID	Socket ID format	See definition in Universal Standard section of this document
	Load Research Flag	Character (1)	A Yes (Y) or No (N) flag noting a customer in the load research sample.
	Profiling class	Varchar (20)	The customer's load profiling class.
	kW	Number (10,4)	Kilowatt demand for the interval period
	kWh	Number (10,4)	Kilowatt hour consumption for the interval period
	kVA	Number (10,4)	Kilovolt-ampere (Demand) for the interval period
	kVAh	Number (10,4)	Kilovolt-ampere hour (Consumption) for the interval period
	kVAR	Number (10,4)	Kilovolt-ampere Reactive (Demand) for the interval period
	kVARh	Number (10,4)	Kilovolt-ampere Reactive hour (Consumption) for the interval period
	Datetime	Datetime format	END Date and Time for the reading
	Interval Period	Number (4)	Number of minutes between readings
	Hour Ending	Char (3)	See definition. Third character is to

			be used for asterisk as described in the definition, but otherwise blank.
	Demand (KW) status	Char (2)	Describes the type of meter reading. ME – Actual from meter CA – Calculated VE – Result from a VEE process ES – Estimated
	Consumption (kWh) Status	Char (2)	Describes the type of meter reading. ME – derived from actual from meter data ES – Estimated.
	Demand (kVA) Status	Char (2)	Describes the type of meter reading. ME – derived from actual from meter data ES – Estimated.
	Demand (kVAh) Status	Char (2)	Describes the type of meter reading. ME – derived from actual from meter data ES – Estimated.
	Demand (kVAR) Status	Char (2)	Describes the type of meter reading. ME – derived from actual from meter data ES – Estimated.
	Demand (kVARh) Status	Char (2)	Describes the type of meter reading. ME – derived from actual from meter data ES – Estimated.
	Transaction Status Code	Char (4)	Used by the recipient to notify the sender of problems with the transaction. . When this field is used it must be dealt with at a minimum, in a manual fashion. The use of this electronic transaction in an automated fashion (in case of problems) is subject to the T's and C's. When using transaction status codes, the codes in Section B.9 must be used.

B.6.1.2 Daily Cumulative Meter Consumption to Retailers and Settlement (abbreviated DCM)

Process Rules

- a) The sender must indicate specifically which record to cancel by resending the exact record with a cancelled record status of 'CA'.
- b) No overlapping readings will be accepted by the receiver.
- c) Gaps are acceptable.
 1. Settlement can use its daily estimates for missing read periods.
 2. A cancelled record does not require a replacement to be provided in the same file. A replacement can come at a later date or never.

1. OVERVIEW

The purpose of this Appendix is to define compliance monitoring requirements and standards for participants governed by the Settlement System Code.

Section 2: Representation and Disclosure
Section 3: Reporting Requirements

2. REPRESENTATION AND DISCLOSURE

Load settlement participants shall provide letters recognizing and representing their responsibility to comply with the Settlement System Code. Letters of compliance, representation, and disclosure are required from load settlement participants.

2.1 Letters of Compliance

Each LSA, MDM, WO, Retailer and the ISO shall provide the ISO with a signed letter of compliance from a senior authority in the organization. The letter of compliance establishes that the party is aware of their roles and responsibilities under the Settlement System Code. The letter of compliance shall:

- a) Acknowledge that the organization is operating as an WO, MDM, LSA, or Retailer in the Province of Alberta. Should an organization be operating in multiple functions, the acknowledgement shall state this.
- b) Acknowledge that the organization is required to comply with the Settlement System Code.
- c) Provide the name, address, and phone number of the senior authority accountable for this function.
- d) Be provided within 30 days from the date of request by the ISO.

2.2 Letters of Representation

Each LSA, MDM, WO, Retailer and the ISO shall provide the ISO with a signed letter of representation from a senior authority in the organization annually. A letter of representation acknowledges that an organization has complied with the Settlement System Code during the year. The ISO will provide a draft Letter of Representation to load settlement participants by the end of each calendar year. Letters of representation shall::

- a) Include the period for the representation and any sub-sections of the code where the ISO determines a specific representation is required.
- b) Include, at the respondents option, a schedule of exceptions to the representation.
- c) Be executed by a senior authority, by April 30 following the end of the calendar year being reported upon.

2.3 Statements of Disclosure

An LSA shall provide statements of disclosure on some processes that are not transparent to market participants. An LSA shall provide renewal of these statements whenever significant changes to the methodologies have been made, or upon request by the ISO. Where the ISO determines that the disclosure is not sufficiently detailed, the LSA shall provide further details of disclosure. The following disclosures are required:

- a) Disclosure of Profile Methodology - an LSA is required to provide disclosure for profile methodologies. The disclosure should have sufficient information to allow retailers to understand the profile selection process and to enable retailers to verify and check the energy allocation to each site.
- b) Disclosure of Loss Calculation Methodology - an LSA is required to provide disclosure for loss calculation methodologies, with sufficient detail to enable retailers to verify and check the losses allocated to each site.
- c) Disclosure of Profile Caps – an LSA is required to disclose the profile cap used in each settlement zone.

3. REPORTING REQUIREMENTS

This section is to define the reporting requirements for Meter Data Managers (MDM), Load Settlement Agents (LSA), Wire Owners (WO), Transmission Administrator (TA), and Retailers within the Province of Alberta. These reporting requirements are based on performance standards contained in other sections, schedules, or appendices of the code.

3.1 Meter Data Reporting Requirements

An MDM shall submit a summary of metering results data and information to the ISO. The ISO will utilize this data to monitor the quality and completeness of metering inputs to settlement. The summary report shall be submitted by the end of the 12th business day of each month. The summary shall:

- a) Report system level metering metrics as stated in Appendix B 3.6, in accordance with the Interval Meter Reporting template posted on the ISO website.
- b) Report site level interval metering metric, as stated in Appendix B 3.6.2 b), in accordance with the Interval Meter Reporting template posted on the ISO website
- c) Report bi-monthly cumulative meter data collection metric, as stated in Appendix B 4.1.1.1, in accordance with the Cumulative Meter Reporting template posted on the ISO website
- d) Report on the provision of settlement ready data set, as stated in Appendix B – section 4.5, in accordance with the Cumulative Meter Reporting template posted on the ISO website

3.2 System Performance Diagnostic Report

An LSA shall submit a System Performance Diagnostics Report, based on performance tests as defined in Section 6.5.5. The LSA must provide further data and information to explain any unacceptable results, as requested by the ISO. The report shall

- a) Include any unacceptable results from the tests, such as reconciliation errors, imbalances, or inconsistencies.
- b) Be provided in a format consistent with the System Performance Diagnostic Template, which is posted on the ISO website
- c) Be submitted to the ISO within 5 business days of each MAAT settlement run
- d) Be signed by LSA management

3.3 Settlement Process Reporting Requirements

LSAs and MDMs shall provide the ISO, upon request, records and evidence to demonstrate compliance with specific sections of the code. These include specifically:

- a) Records of PFEC processing, sufficient to demonstrate compliance to PFEC processing rules and timelines established in Section 5.2.2 of the code,
- b) Records to demonstrate that meter readings have occurred with site energization and de-energization activities, as established in Section 6.2 of the code.