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PROCEDURE

Market Manual 5: Settlements

Part 5.8: Financial

Markets Settlement

Invoicing

Issue 11.0

This procedure provides information required by the *IESO* and *Market Participants* to prepare and process settlement *invoices* for the financial markets administered by the *IESO*.

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This *market manual* may contain a summary of a particular *market rule*. Where provided, the summary has been used because of the length of the *market rule* itself. The reader should be aware, however, that where a *market rule* is applicable, the obligation that needs to be met is as stated in the “Market Rules”. To the extent of any discrepancy or inconsistency between the provisions of a particular *market rule* and the summary, the provision of the *market rule* shall govern.

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Related Documents

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Table of Changes

Reference (Paragraph and Section)	Description of Change
1.3.1 Table 3.1 ref. 8.01 & 8.04	Minor word editing to replace reference to Market Participant Interface (MIM) to the IESO Reports Site
1.3.1	Delete paragraph referring to Market Participant Graphical Interface (GUI) User Guide for instructions on operating the MPI

Market Manuals

The *market manuals* consolidate the market procedures and associated forms, standards, and policies that define certain elements relating to the operation of the *IESO-administered markets*. Market procedures provide more detailed descriptions of the requirements for various activities than is specified in the *market rules*. Where there is a discrepancy between the requirements in a document within a *market manual* and the “Market Rules”, the “Market Rules” shall prevail. Standards and policies appended to, or referenced in, these procedures provide a supporting framework.

Market Procedures

The “Settlements Manual” is Volume 5 of the *Market Manuals*, where this document forms “Part 5.8: Financial Markets Settlement Invoicing”.

A list of the other component parts of the “Settlements Manual” is provided in “Part 5.0: Settlements Overview”, in Section 2, “About This Manual”.

Structure of Market Procedures

Each market procedure is composed of the following sections:

1. **“Introduction”**, which contains general information about the procedure, including an overview, a description of the purpose and scope of the procedure, and information about roles and responsibilities of the parties involved in the procedure.
2. **“Procedural Work Flow”**, which contains a graphical representation of the steps and flow of information within the procedure.
3. **“Procedural Steps”**, which contains a table that describes each step and provides other details related to each step.
4. **“Appendices”**, which may include such items as forms, standards, policies, and agreements.

Conventions

The *market manual* standard conventions are as defined in the “Market Manual Overview” document.

– End of Section –

1. Introduction

1.1 Purpose

This procedure describes the activities and schedule for the *IESO* and *market participants* to prepare and process *invoices*¹ relating to the financial market.

The financial markets *settlement invoice* will indicate all *market participant* payments due to the *IESO* and all *IESO* payments due to *market participants* for all *settlement charge types* that appear on financial markets *settlement statements*. “Market Manual 5: Settlements, Part 5.7: Financial Markets Settlement Statements” provides detailed information on these *charge types*. For the purpose of this procedure, all references to *settlement invoices* should be taken to refer to the financial markets *settlement invoice*, unless otherwise stated.

This document covers the following topics:

- receiving financial markets *invoices*;
- interpreting the financial markets *invoice* line items; and
- submitting queries for more information regarding the *invoice*.

1.2 Scope

This procedure is intended to provide *market participants* with a summary of the steps and interfaces between *market participants* and the *IESO* for receiving and reviewing financial markets *invoices* generated by the *IESO*. The procedural work flows and steps described in this document serve as a roadmap for *applicants* and the *IESO*, and reflect the requirements set out within the *market rules* and applicable *IESO* policies and standards.

For the purposes of this procedure, all references to the financial markets should be taken to refer to:

- the *energy forward market* (EFM), which has been deferred at present and will be addressed in a future release of this document; and
- the elements of the *transmission rights market* that relate to *settlement* amounts paid in respect of the purchase or sale of a *transmission right* in any round of a *transmission rights auction*².

¹ The *invoice* for the financial markets is titled the energy forward market (EFM) *invoice* but will contain charges relating to both the EFM (once this market is opened) and *transmission rights market*.

² The settlement amounts relating to all other elements of the *transmission rights market* appear on the physical markets settlements invoice. See “Market Manual 5: Settlements, Part 5.6: Physical Markets Settlement Invoicing” for more details on this *invoice*.

Not all charges incurred as a result of participation in the *transmission rights market* appear on the financial markets *invoice*. At present, only those charges relating to payments made as a result of purchases and sales in the *transmission rights auction*³ appear on the financial market *invoice*. For a detailed description of the charges that appear on this *invoice*, see “Market Manual 5: Settlements, Part 5.7: Financial Markets Settlement Statements”. Other charges relating to the *transmission rights market* appear on the *physical markets invoice*. For information on this *invoice*, see “Market Manual 5: Settlements, Part 5.6: Physical Markets Settlement Invoicing”.

The *payment dates* on which the *IESO* and *market participants* must submit payments with respect to *settlement invoices* are specified in the *IESO Settlement Schedule and Payment Calendar (SSPC)*. See “Market Manual 5: Settlements, Part 5.1: Settlement Schedule and Payment Calendars”.

The *payment dates* on which the *IESO* and *market participants* must submit payments with respect to all *settlement invoices* issued by the *IESO* are specified in the *IESO Settlement Schedule and Payment Calendar (SSPC)*. See “Market Manual 5: Settlements, Part 5.9: Settlement Payment Methods and Schedule”.

The overview information in Section 1.3, below, is provided for context purposes only, highlighting the main actions that comprise the procedure as set out in Section 2.

1.3 Overview of Financial Markets Invoicing

Annually, the *IESO* publishes an *IESO Settlement Schedule and Payments Calendar (SSPC)* that specifies the dates for issuance of *settlement invoices*. The *IESO* must, on the date specified in the *SSPC*, issue an *invoice* to each *market participant* who has undertaken a transaction in the financial markets during the *billing period*. The *billing period* is a calendar week (*trading week*) for the financial markets *settlement invoice*⁴.

All transactions in the financial market are *invoiced* according to the available *settlement data*, as previously issued on the *final settlement statements* during the *billing period*. *Transmission rights auction rounds* will not occur during every *billing period*. As the *invoice* currently includes only charges relating to the *transmission rights market*, there will be *billing periods* for which the *IESO* will not issue *invoices* due to the absence of any *settlement activity* in the *transmission rights market*.

The *IESO* will issue debit *settlement invoices*, where a net payment is due to the *IESO* from a *market participant*, and credit *settlement invoices*, where a net payment is due to a *market participant* from the *IESO*. Debit *settlement invoices* will indicate that the *market participant* is required to submit a payment to the *IESO*. Credit *settlement invoices* will indicate that the *invoice* is for information only and that the *market participant* is not required to submit a payment.

The *IESO* may also produce manual *invoices* for various costs relating to the financial markets but which are not addressed by the *settlement charge types* that form part of the financial markets *settlement statements*. These may include (but are not restricted to) costs relating to:

- interest charged on late payments;

³ For more information on the *transmission rights auction* process, see “Market Manual 4: Market Operations, Part 4.4, Transmission Rights Auction”.

⁴ A *trading week* is seven consecutive *trading days* starting on, and including, the Sunday.

- default charges; and
- costs of relating to arbitration.

The *IESO* will issue manual *invoices* on an ‘as-needed’ basis. Manual *invoices* are not explicitly addressed in the work-flow in Section 2 of this procedure, but the same process will be followed by the *IESO* when issuing a manual *invoice*.

1.3.1 Receiving/Retrieving Invoices

Market Participants retrieve their own settlement statements and invoices through:

- Web delivery via the *IESO* Reports Site. Invoices are available in both HTML and textfile format.

Invoices are considered as issued to *market participants* when released by the *IESO* through the *IESO* Reports Site, in accordance with the dates in the *SSPC*. It is the responsibility of each *market participant* to notify the *IESO* if it fails to receive an *invoice* on the date specified in the *SSPC*. The *market participant* should notify the *IESO* immediately if a *settlement invoice* is not received at the expected time and date. Each *market participant* shall be deemed to have received its *invoice* on the relevant date specified in the *SSPC*, unless the *market participant* notifies the *IESO* to the contrary.

In the event that a *market participant* notifies the *IESO* that it has failed to receive a *settlement invoice* on the specified date, the *IESO* will re-issue the appropriate *invoice*. The *settlement invoice* will be considered received on the date that the re-issued *invoice* is submitted to the *market participant*.

1.3.2 Reading the Financial Market Invoice

As a minimum, the financial market *invoice* contains the following information:

- a unique *invoice* number;
- the dollar amounts that are to be paid by or to the *market participant*;
- the *market participant payment date* by which such amounts (if any) are to be paid by the *market participant* no later than the *close of banking business* (of the bank at which the *IESO settlement* clearing account is held); and
- details of the *IESO settlement* clearing account, including the bank name, account number and *electronic funds transfer* instructions, to which any amounts owed by the *market participant* are to be paid.

A sample *settlement invoice* can be located in the Funds Administration area of the Technical Interfaces page on the *IESO* public Web site (www.ieso.ca). Charges transferred from the *settlement* statements that appear on *market participant invoices* are detailed in Section 2.2 of “*IESO Charge Types and Equations*”.

Manual *invoices* will have the same format as a *settlement invoice* but will have manual line entries in place of the standard *charge types* that appear in the *settlement invoice*, except where the *invoice*

relates to financial penalties⁵. *Market participants* will be notified that a *manual invoice* is available for retrieval when released by the *IESO* via EDI or the Market Information Management System (MIM). See “Market Manual 5: Settlements, Part 5.9: Settlement Payment Methods and Schedule” for more information on the payment process.

1.4 Roles and Responsibilities

Responsibility for financial market *invoices* is shared among:

- ***Market participants***, which are responsible for:
 - receiving *settlement invoices*; and
 - reviewing the *settlement invoices* for correctness.
- The ***IESO***, which is responsible for:
 - preparing *settlement invoices* to be issued to *market participants*;
 - issuing *settlement invoices* to *market participants* using the agreed to delivery method; and
 - responding to queries from the *market participant* regarding *settlement invoices*.

⁵ In the case of a dispute relating to a financial penalty, payment may be deferred until the dispute is resolved in accordance with the dispute resolution process set out in “Market Manual 2, Market Administration, Part 2.1, Dispute Resolution”.

1.5 Contact Information

As part of the participant authorization and registration process, *applicants* are able to identify a range of contacts within their organization that address specific areas of market operations. For financial *settlement invoices*, this contact will most likely be the *Invoice* and Banking Market Contact Type as indicated in PLC (MP Contacts screens). If a *market participant* has not identified a specific contact, the *IESO* will seek to contact the Main Contact that is established during the participant authorization process. The *IESO* will seek to contact these individuals for activities within this procedure, unless alternative arrangements have been established between the *IESO* and the *market participant*. For more information on PLC and the Participant Authorization Process see “Market Entry, Maintenance and Exit, Part 1.1 – Participant Authorization Maintenance and Exit”.

If the *market participant* has questions pertaining to a financial market *invoice*, the *market participant* may submit queries regarding the *invoice* contents to the *IESO* Customer Relations via email at customer.relations@ieso.ca or by the phone number provided on the *IESO*'s public Web site (<http://www.ieso.ca/>), on the “Contact Us” page. If the *IESO* Customer Relations is closed, messages or emails can be left, which will be logged by the help desk.

Market participants should note that payments are due on the participant *payment date* regardless of any outstanding queries or disputes regarding the *invoices*.

– End of Section –

2. Procedural Work Flow

Figure 2-1 in this section represents the flow of work and information related to the financial markets *settlement* invoicing process between the *IESO* and the *market participant* to whom the *settlement invoice* is being submitted.

The steps illustrated in Figure 2-1 are described in detail in Section 3, Table 3-1.

Table 2–1: Legend for Work Flow Diagrams

Legend	Description
Oval	An event that triggers task or that completes task. Trigger events and completion events are numbered sequentially within procedure (01 to 99).
Task Box	Shows reference number, party responsible for performing task (if “other party”), and task name or brief summary of task. Reference number (e.g., 1A.02) indicates procedure number within current <i>Market Manual</i> (1), sub-procedure identifier (if applicable) (A), and task number (02).
Solid horizontal line	Shows information flow between the <i>IESO</i> and external parties.
Solid vertical line	Shows linkage between tasks.
Broken line	Links trigger events and completion events to preceding or succeeding task.

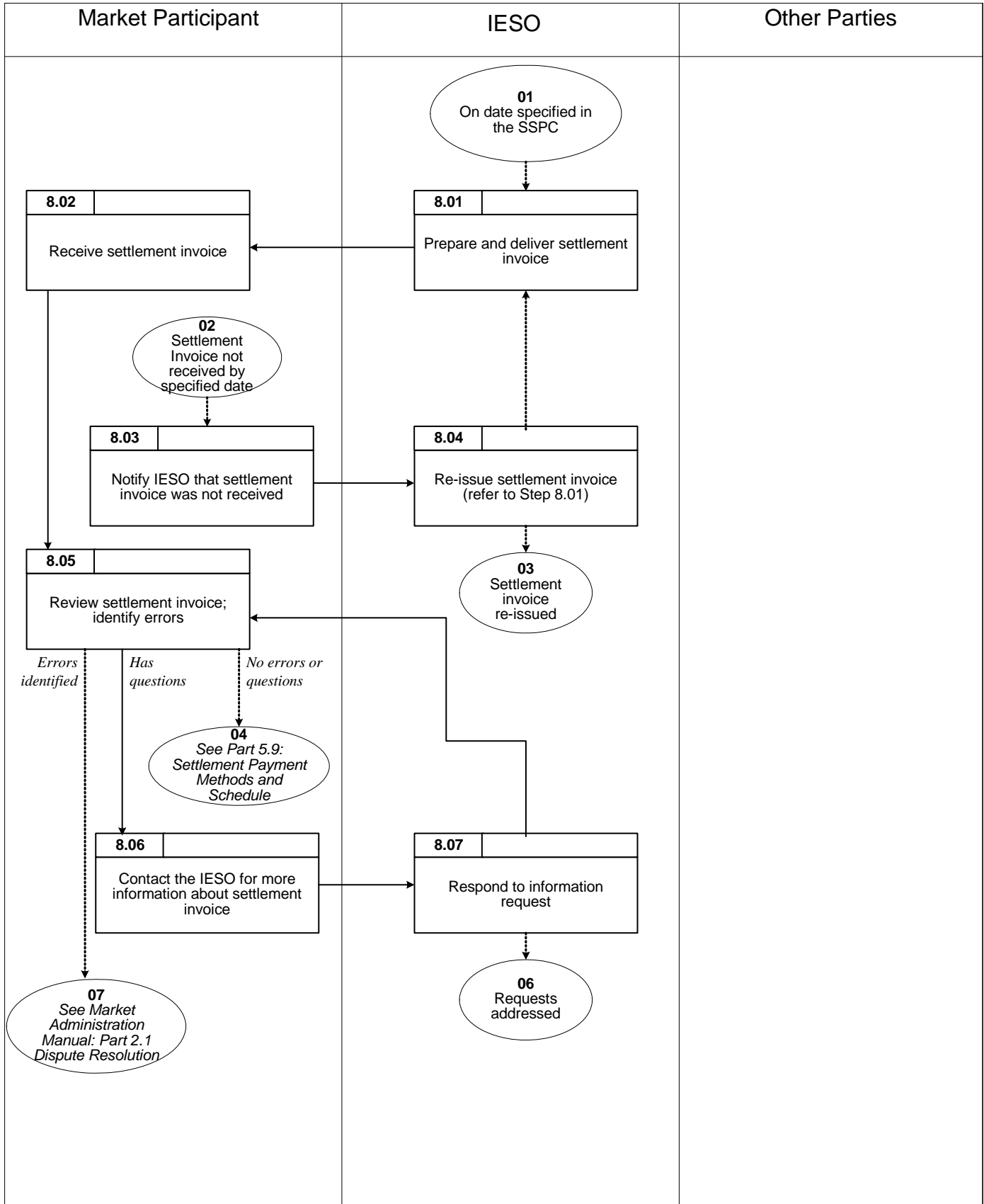


Figure 2–1: Work Flow for Financial Markets Settlement Invoicing

– End of Section –

3. Procedural Steps

This section contains detail on the tasks (steps) that comprise the procedure for *financial markets settlement invoicing*. The table contains seven columns, as follows:

Ref

The numerical reference to the task.

Task Name

The task name as identified in Section 2.

Task Detail

Detail about the task.

When

A list of all the events that can trigger commencement of the task.

Resulting Information

A list of the information flows that may or must result from the task.

Method

The format and method for each information flow are specified.

Completion Events

A list of all the circumstances in which the task should be deemed finished.

3.1 Financial Markets Settlement Invoicing

The steps in the following table are illustrated in Section 2, Figure 2-1.

Table 3–1: Procedural Steps for Financial Markets Settlement Invoicing

Ref.	Task Name	Task Detail	When	Resulting Information	Method	Completion Events
8.01	Prepare and deliver <i>settlement invoice</i> .	The <i>IESO</i> prepares financial markets <i>settlement invoice</i> and delivers the <i>invoice</i> to the <i>market participant</i> via the delivery mechanism selected by the <i>market participant</i> .	As specified in the <i>IESO Settlement Schedule and Payments Calendar (SSPC)</i> .	<i>Settlement Invoice</i> . (See the Funds Administration area of the Technical Interfaces page on the <i>IESO</i> web site).	<ul style="list-style-type: none"> Delivery method is via the <i>IESO</i> Reports Site 	Delivery of <i>settlement invoice</i> to the <i>market participant</i> .
8.02	Receive <i>settlement invoice</i> .	<i>Market participant</i> receives the <i>settlement invoice</i> from the <i>IESO</i> .	After Step 8.01 and on or before the date specified in the <i>SSPC</i> .	None	None	<i>Market participant</i> receives <i>settlement invoice</i> .
8.03	Notify <i>IESO</i> that <i>settlement invoice</i> was not received.	If the <i>settlement invoice</i> was not received for a specified <i>billing period</i> by the expected date, the <i>market participant</i> should notify the <i>IESO</i> .	After expected date for receipt of <i>invoice</i> , as specified in the <i>SSPC</i> , if <i>invoice</i> not received.	Notice that <i>invoice</i> not received.	Telephone call or e-mail to the <i>IESO</i> 's Customer Relations.	<i>IESO</i> notified that <i>settlement invoice</i> was not received.

Table 3–1: Procedural Steps for Financial Markets Settlement Invoicing

Ref.	Task Name	Task Detail	When	Resulting Information	Method	Completion Events
8.04	Re-issue <i>settlement invoice</i> (refer to Step 8.01).	The <i>IESO</i> investigates the problem, and re-issues the <i>settlement invoice</i> to the <i>market participant</i> .	After Step 8.03.	<i>Settlement Invoice</i> (See the Funds Administration area of the Technical Interfaces page on the <i>IESO</i> Web site)	<ul style="list-style-type: none"> Fax or delivery method Secured web delivery via the <i>IESO</i> Reports Site 	Delivery of <i>settlement invoice</i> to the <i>market participant</i> .
8.05	Review <i>settlement invoice</i> ; identify errors.	The <i>market participant</i> reviews the <i>settlement invoice</i> to identify errors, and to determine whether there are any questions regarding the <i>invoice</i> . If there is an error in the <i>invoice</i> , the <i>market participant</i> follows the dispute resolution process set out in “Market Manual 2: Market Administration, Part 2.1: Dispute Resolution”.	After Step 8.02 as required.	None	None	<p>Review of <i>settlement invoice</i> completed by the <i>market participant</i>; questions and possible errors have been identified.</p> <p>Dispute resolution process (Refer to “Market Manual 2, Market Administration, Part 2.1: Dispute Resolution”).</p>
8.06	Contact the <i>IESO</i> for more information about <i>settlement invoice</i> .	The <i>market participant</i> submits a query to the <i>IESO</i> requesting additional information pertaining to the <i>settlement invoice</i>	After Step 8.05 if additional data is needed.	Queries to request additional information about the <i>settlement invoice</i> .	Telephone call or e-mail to the <i>IESO</i> 's Customer Relations.	Query submitted to the <i>IESO</i> .

Table 3–1: Procedural Steps for Financial Markets Settlement Invoicing

Ref.	Task Name	Task Detail	When	Resulting Information	Method	Completion Events
8.07	Respond to information request.	The <i>IESO</i> provides a <i>response</i> to the query submitted by the <i>market participant</i> .	As soon as possible after Step 8.06, depending on the nature of the query.	Query <i>response</i> .	Telephone, e-mail, or fax	Query <i>response</i> returned to the <i>market participant</i> .

End of Section –

Appendix A: Forms

There are no forms used in this procedure.

– End of Section –

References

Document ID	Document Title
MDP_RUL_0002	Market Rules
IMO_GDE_0003	Market Participant Graphical User Interface (GUI) User Guide
MSA_REQ_0002	Market Manual 6: Participant Technical Reference Manual Part 6.0: PTRM Overview
MDP_PRO_0014	Market Manual 1: Market Entry, Maintenance & Exit Part 1.1: Participant Authorization, Maintenance & Exit
MDP_PRO_0017	Market Manual 2: Market Administration, Part 2.1: Dispute Resolution
MDP_PRO_0029	Market Manual 4: Market Operations, Part 4.4: Transmission Rights Auction
MDP_MAN_0005	Market Manual 5: Settlements, Part 5.0: Settlements Overview
MDP_PRO_0031	Market Manual 5: Settlements Part 5.1: Settlement Schedule and Payments Calendars (SSPCs)
MDP_PRO_0035	Market Manual 5: Settlements, Part 5.6: Physical Markets Settlement Invoicing
MDP_PRO_0046	Market Manual 5: Settlements, Part 5.7: Financial Markets Settlement Statements
MDP_PRO_0036	Market Manual 5: Settlements, Part 5.9: Settlement Payment Methods and Schedule
IMP_LST_0001	IESO Charge Types and Equations

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