



Settlement Statements and Invoices

Marketplace Training

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Settlement Statements and Invoices

AN IESO MARKETPLACE TRAINING PUBLICATION

This guide has been prepared to assist in the IESO training of market participants and has been compiled from extracts from the market rules or documents posted on the web site of Ontario's Independent Electricity System Operator. Users of this guide are reminded that they remain responsible for complying with all of their obligations under the market rules and associated policies, standards and procedures relating to the subject matter of this guide, even if such obligations are not specifically referred to herein. While every effort has been made to ensure the provisions of this guide are accurate and up to date, users must be aware that the specific provisions of the market rules or particular document shall govern.

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1. Introduction

The IESO administers a physical market for participants to buy and sell energy, and a financial market for buying and selling transmission rights (TRs). We¹ are responsible for settling these markets:

- In the physical market, we collect funds from buyers and transfer funds to sellers. We do not actually take title to energy, and we are, by law, revenue neutral. We recover our administration expenses via a charge for each megawatt hour (MWh) of energy purchased. We also handle payouts for TRs through the physical market settlement process
- The financial market settlement process handles payments for rights purchased in TR auctions. (Please see the *Transmission Rights* workbook, available on our [Training](#) web pages for details.)

Settling the physical market

There are four steps in settling the physical markets:

- **Gathering and processing data**
We gather and process metering data to produce settlement-ready data. Please see the *Revenue Metering* workbook, available on our [Training](#) web pages for details.
- **Reconciling the markets**
In this step, we use the settlement-ready data to determine revenue owed to suppliers, and costs for consumers. We also calculate the overhead that participants must pay for such things as operating reserve, congestion management settlement credits (CMSC), and our administration fee. (For details on operating reserve and CMSC, see the *Introduction to Ontario's Physical Markets* workbook, available on our [Training](#) web pages.)
- **Invoicing participants**
We use the data from the reconciliation process to produce preliminary settlement statements, final settlement statements, and invoices for participants.
- **Transferring funds**
Energy purchasers transfer funds to us, and we, in turn, pay suppliers. All funds are transferred using electronic funds transfer (EFT) – and all funds transfers must follow required timelines.

Settling the financial market

Our only financial market is the Transmission Rights Market. We issue preliminary and final settlement statements and invoices for the financial market, as we do for the physical market, but the timelines are shorter in the financial market. (See the *Transmission Rights* workbook, available on our [Training](#) web pages.)

¹ We', 'our' and 'us' refer to the IESO. 'You' refers to the market participant.

2. Reconciling the Markets

Reconciling the markets involves calculating all the charges and payments required for the billing period. The process involves many inputs, including data from the markets, set rates for certain services and taxes, and metering data after it has been gathered and processed into settlement-ready data.

Objectives

After completing this section, you will be able to:

- List the inputs we use for our settlement process
- Identify charge type groups

Settlement Process Inputs Include

Market data inputs

- Market schedules
- Market prices
- Dispatch instructions
- Bids and offers
- Ancillary services contract data
- Transmission rights ownership data
- Physical bilateral contract data

Rates

- Transmission tariff rates
- Government mandated charges (e.g., the debt retirement charge)
- Taxes
- IESO administration fee
- OPA administration fee

Metered data

- Allocated energy quantities
- Peak demand data

We use these inputs in our calculations to determine who owes what to the market and who, in turn, the market owes.

Charge Types

We identify all charges and payments on your settlement statements and invoices by charge type. The *IESO Charge Types and Equations* document, available on our [Technical Interfaces](#) and [Rules, Manuals and Forms](#) web pages, lists and explains all charge types. It also gives you the formulas we use and explains the variables in the formulas.

Charge types are organized into the following series:

100 Series:

- The 100 series covers energy purchases and sales in the real-time markets, and the uplifts related to these activities.
- For example, we use charge type 100 for dispatchable loads and generators. Charge type 100 represents the basic energy cost for loads, or revenue for suppliers.
- We use charge type 101 to represent the amount due from or owed to non-dispatchable loads and generators.
- The 100 series also includes:
 - Congestion management settlement credits
 - The transmission rights (TR) settlement credit
 - The net energy market settlement uplift, which covers such things as the difference between what we pay for energy and what we charge for energy in the same hour – this difference is largely due to losses when energy moves on the grid

200 Series:

- The 200 series relates to energy purchases and sales in the operating reserve market, as well as associated uplifts.

300 Series:

- The 300 series relates to the capacity market, which has not been implemented. Therefore, you will not see any 300 series charge types on your statements.

400 Series:

- The 400 series relates to ancillary services, which are contracted services needed to help maintain the reliability of the grid. They include voltage regulation, reactive power, black start capability and automatic generation control.

500 Series:

- The 500 series relates to reliability must-run contracts, which are contracts negotiated with a generating facility that give us the power to direct the facility to generate power to maintain system reliability.

600 Series:

- The 600 series relates to transmission services provided to maintain and operate the IESO-controlled grid. The Ontario Energy Board (OEB) regulates these charges, which we collect from transmission service users and pay to transmission service providers.
- Transmission services charges cover the cost of the network infrastructure, line connections, and transformer connections.

700 Series

- The 700 series relates to miscellaneous charges, including charges for rural rate assistance, debt retirement, and the Ontario Power Authority (OPA) administration fee.

800 Series:

- The 800 series relates to the default levy, which we can use to cover situations where a market participant defaults on payments owed to the markets but their prudential support does not cover what they owe. Under the default levy, all participants, including suppliers, pay a portion of the outstanding amount.

900 Series:

- The 900 series covers charges related to taxes.

1000 Series:

- The 1000 series relates to the CMSC clawback for dispatchable loads.

1100 Series:

- The 1100 series relates to charges in the Day-ahead Commitment Process (DACP).

1300 Series:

- The 1300 series relates to demand response programs, including charges we settle on behalf of the OPA.

1400 Series:

- The 1400 series relates to ancillary service contract charges and to some OPA-related supply contract and conservation charges.

Charge code 9990:

This charge code is for the IESO administration fee, which covers our administrative costs, including market support and grid operations.

3. Preliminary Settlement Statements and Data Files

Once we have processed all the meter data and have determined all the charges and credits in the market, we can invoice market participants.

Objectives

After completing this section, you will be able to:

- Identify the types of records on a preliminary settlement statement
- Describe key features of header records, summary records, detail records and data files

Steps in the Invoicing Process

There are a number of steps in our invoicing process:

- We produce preliminary settlement statements for each trade day – these statements provide an initial opportunity for you to see what you owe to the market for that day, or what the market owes you for that day.
- If you have a concern about a charge on your preliminary settlement statement, you can submit a notice of disagreement (NoD) explaining the issue and proposing a solution.
- Several days after we issue the preliminary settlement statement, and after we have processed most of the NoDs, we issue the final settlement statement for the trade day.
- Once a month, we invoice consumers in the physical markets. We then transfer the money we collect from loads and exporters to transmitters and to energy and ancillary services providers, that is, to generators and importers.

Preliminary Settlement Statements

We issue preliminary settlement statements ten business days after each trade day. For example, we issued the preliminary settlement statement for the March 1, 2009 trade day on March 13.

MARCH 2009						
MON	TUES	WED	THURS	FRI	SAT	SUN
						1
2	3	4	5	6		8
9	10	11	12	13	14	15
16	17	18	19	20		22
23	24	25	26	27	28	29
30	31					

Although we issue a preliminary settlement statement for each trade day, we issue the statements only on business days. This means that on some days we issue more than one preliminary settlement statement. For example, on Friday, March 27, 2009, we issued preliminary settlement statements for March 13, 14 and 15.

Retrieving your statements

We post your statements to our secure website – we do not mail or fax them. It is up to you to retrieve your statement from our confidential Reports site. The calendar showing issue dates for statements and invoices is available via our [Market Calendars](#) web page.

First look at charges

The preliminary settlement statement is your first look at charges and revenues for that day. (Keep in mind that some charges are calculated monthly instead of daily, and appear only on the preliminary settlement statement for the last calendar day of the month.)

Statement format

Settlement statements are formatted as pipe-delimited text files. Pipe-delimited means that each column of the record is separated by a symbol called a 'pipe'. A pipe allows spreadsheet programs to open the record so that each column of the record is separated. This is a very useful feature because of the large number of possible columns in a settlement statement.

There are four basic elements to a preliminary settlement statement:

- Header record: the first line of the statement – it provides a one-line summary of the day
- Summary records: provide totals for all charge types on the statement
- Detail records: provide breakdowns by hour and interval of all charges and credits on the statement
- Manual records: used for any payments or charges that are not automatically processed

	A	B	C	D	E	F	G	H	I	J	K	
1	H	200000		28-Feb-07	374906	ST	P	P	-348498.63	-2604837.81	13-Feb-07	19
2	SC	101	Net Energy Market Settlement for Non-Dispatchable Load	28-Feb-07					-56065.78	N		
3	SC	146	Global Adjustment Settlement Amount	28-Feb-07					202018.27	N		
4	SC	150	Net Energy Market Settlement Uplift	28-Feb-07					-1364.34	N		
5	SC	155	Congestion Management Settlement Uplift	28-Feb-07					-651.82	N		
6	SC	169	Station Service Reimbursement Debit	28-Feb-07					-993.81	N		
7	SC	170	Local Market Power Rebate	28-Feb-07					1512.58	N		
8	SC	183	Generation Cost Guarantee Recovery Debit	28-Feb-07					-7651.56	N		
9	SC	186	Intertie Failure Charge Rebate	28-Feb-07					11.26	N		
10	SC	250	10-Minute Spinning Market Reserve Hourly Uplift	28-Feb-07					-47.47	N		
11	SC	252	10-Minute Non-Spinning Market Reserve Hourly Uplift	28-Feb-07					-53.05	N		
12	SC	254	30-Minute Operating Reserve Market Hourly Uplift	28-Feb-07					-35.29	N		
13	SC	450	Black Start Capability Settlement Debit	28-Feb-07					-294.85	N		
14	SC	452	Reactive Support and Voltage Control Settlement Debit	28-Feb-07					-3189.74	N		
15	SC	454	Regulation Service Settlement Debit	28-Feb-07					-8128.2	N		
16	SC	550	Must-Run Contract Settlement Debit	28-Feb-07					-21493.01	N		
17	SC	650	Network Service Charge	28-Feb-07					-73503.59	N		
18	SC	651	Line Connection Service Charge	28-Feb-07					-21661.12	N		
19	SC	752	Debt Retirement Charge	28-Feb-07					-256913.64	N		
20	SC	753	Rural Rate Settlement Charge	28-Feb-07					-36701.94	N		
21	SC	754	OPA Administration Charge	28-Feb-07					-13653.13	N		
22	SC	900	GST Credit	28-Feb-07					12220.73	N		
23	SC	950	GST Debit	28-Feb-07					-31947.03	N		
24	SC	9990	IESO Administration Charge	28-Feb-07					-29912.1	N		
25	DP	146		28-Feb-07	0	0	202018.27	ONZN		P		
26	DP	650		28-Feb-07	0	0	-73503.59	ONZN	100000	P	-25973	2.83
27	DP	651		28-Feb-07	0	0	-21661.12	ONZN	100001	P	-26416	0.82
28	DP	752		28-Feb-07	0	0	-115446.11	ONZN	100002	P	-16492.302	7
29	DP	752		28-Feb-07	0	0	-68250.23	ONZN	100003	P	-9750.033	7
30	DP	752		28-Feb-07	0	0	-73217.3	ONZN	100004	P	-10459.614	7
31	DP	753		28-Feb-07	0	0	-16492.3	ONZN	100002	P	-16492.302	1
32	DP	753		28-Feb-07	0	0	-9750.03	ONZN	100003	P	-9750.033	1

Header Record

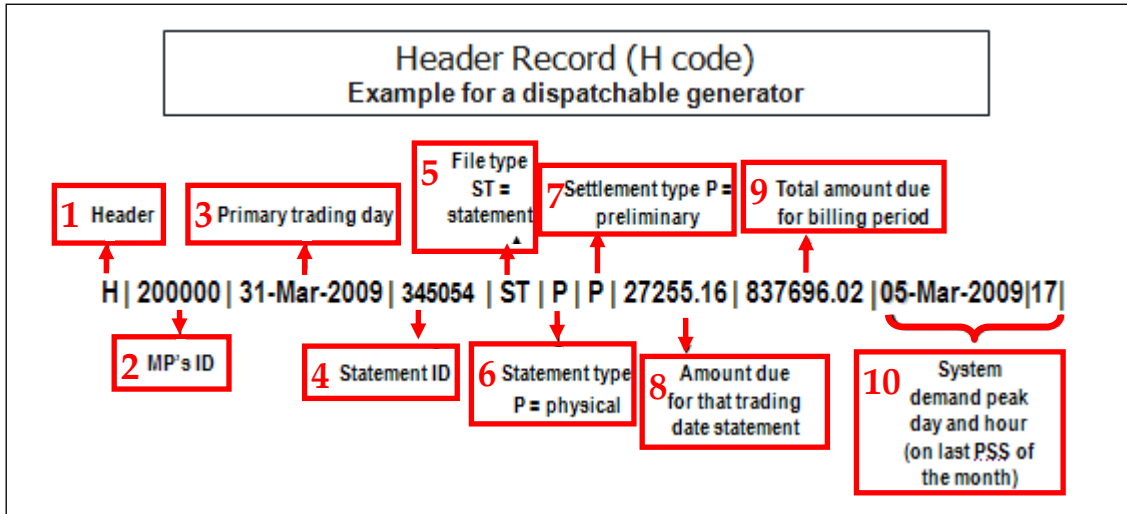
Summary Records

Detail Records

Manual Records

Header record

(For additional details, see *Format Specifications for Settlement Statement Files and Data Files Table 2.1*, available on the [Technical Interfaces](#) and [Rules, Manuals and Forms](#) web pages.)



The header record is always the first line in a settlement statement.

The vertical bars between the header items are 'pipes', or separators.

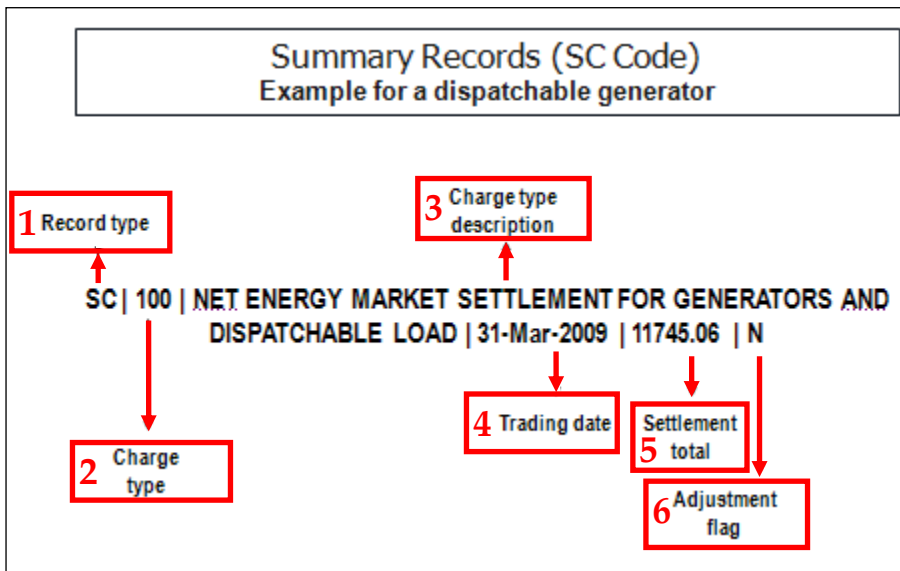
1. The header record begins with an 'H' identifying it as a header record.
2. After the first pipe is the MP's unique ID number. This identifies this statement as applying to this particular MP. This can be important, for example, for settlement services that download and process statements for several different participants.
3. The **Primary Trade Date** is next. This is the trade date for this statement.
4. Next is the **Statement ID**. This is the identifier for this statement – you need to enter this number if you are submitting a notice of disagreement. It is also useful for cross-referencing statements to data files.
5. The **File Type** 'ST' identifies that this is a statement file as opposed to a data file.
6. 'P' indicates that this is a statement of charges and credits in the physical market. If this field contained an 'F', this would be a financial market statement.
7. Because this is a preliminary settlement statement, the **Settlement Type** is a 'P' for preliminary. For a final settlement statement, this would be an 'F'.
8. **Total Due Amount**: if preceded by a minus sign, this is the amount that the MP owes to the market for the trading day - otherwise, this is the amount due from the market for the trading day. In this case, the MP is owed \$27,255.16. The total amount due is the sum of all of the subtotals shown in the summary record lines that follow.
9. **Billing Period Total to Date** is the cumulative total of the physical market preliminary settlement statements to date in this billing period for this MP - this is

not a mixture of preliminary and final total due amounts, and, therefore, will not correspond to the monthly invoice.

10. On the last trading day of the month, the header record also displays the day and hour of the system peak demand over the month. This helps loads confirm the calculation of the network transmission tariff charge.

Summary record

(For additional details, see *Format Specifications for Settlement Statement Files and Data Files Table 2.2*, available on the [Technical Interfaces](#) and [Rules, Manuals and Forms](#) web pages.)



Next are the summary records. These break down the total for the day as shown in the header record into the applicable charge types:

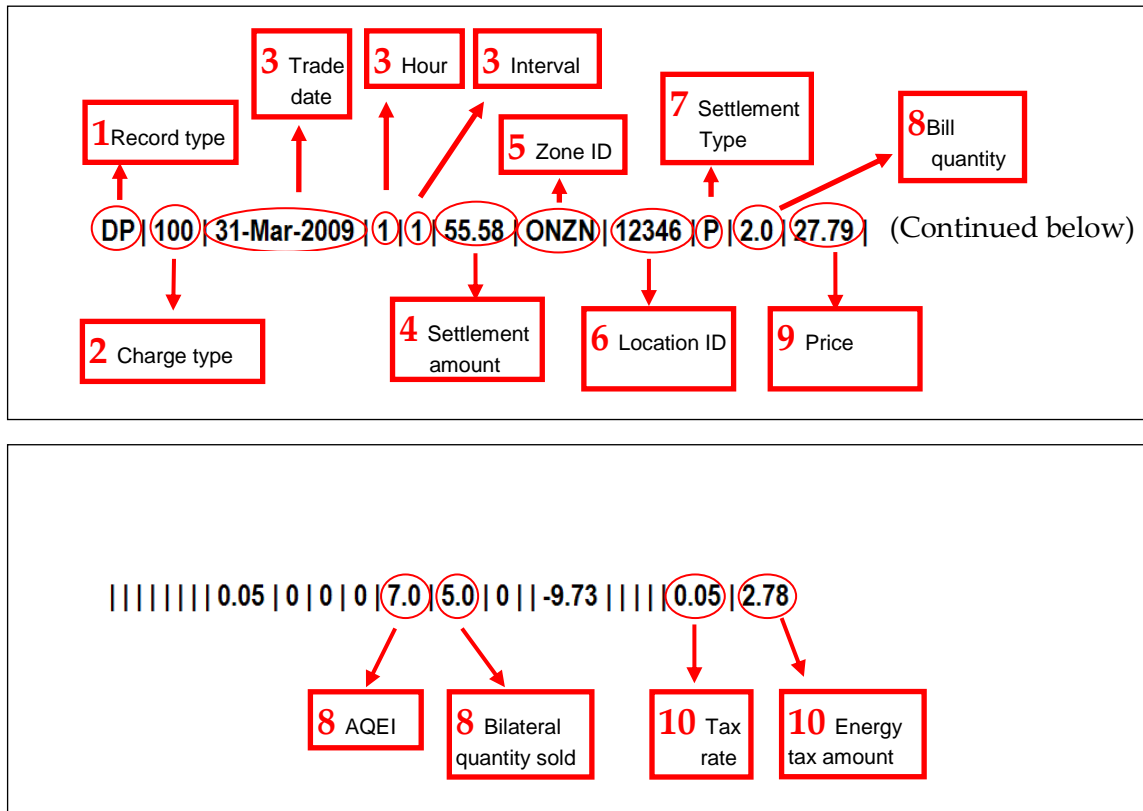
1. Summary records have the letters 'SC' in the first column.
2. After the first pipe is the **Charge Type** number the summary record refers to, in this case, charge type 100. Therefore, this is the summary record for energy sold in the physical market on this day by this dispatchable generator.
3. The **Charge Type Description** is a brief description of the charge type.
4. The **Trade Date** refers to the date the summary record applies to. This date is important to note, as a preliminary settlement statement can include information about more than one trade day. This occurs most often where a notice of disagreement was not settled until after we issued the final settlement statement for the trade day.
5. The **Settlement Total** is the net amount of settlements for that charge type for the trade day – In this case, the total amount due from the market for charge type 100 is \$11,745.06.

- The **Adjustment Flag** indicates whether the record has been adjusted - on a preliminary settlement statement, the adjustment flag is always set to 'N' for 'no'.

Detail record

(For additional details, see *Format Specifications for Settlement Statement Files and Data Files Table 2.3*, available on the [Technical Interfaces](#) and [Rules, Manuals and Forms](#) web pages.)

Example for a dispatchable generator:



For each charge type shown in the summary records, there are corresponding detail records. The total of the detail records for any charge type equals the total in the corresponding summary record.

Detail record highlights:

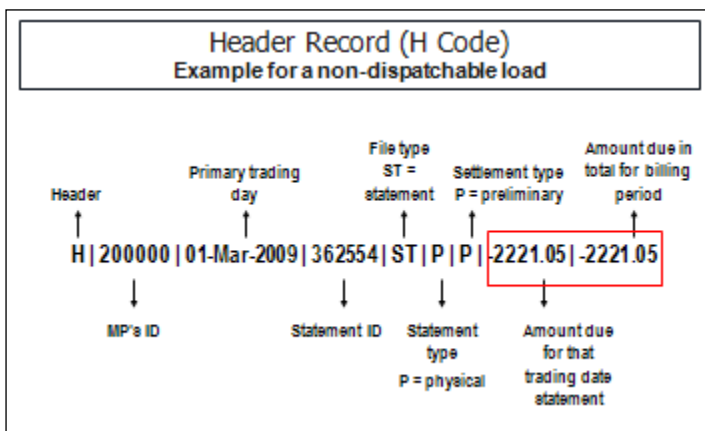
- 'DP' appears at the beginning of the line to indicate that this is a detail record.
- Next is the charge type that this detail record provides information about – in this case, charge type 100.
- Next are the **Trade Date**, **Hour** and **Interval** for this record. Prices and some charge types are determined every five minutes. Therefore, the information supplied in a detail record is broken down where appropriate by hour and by interval.

For example, here we have information about charge type 100 for March 31, 2009, for Hour Ending 1, Interval 1. There are 12 five-minute intervals in an hour. Please note that even for a dispatchable facility, not all charges are broken down to the interval level. Some are calculated hourly. If this had been an hourly charge, the interval would appear as '0'. The interval for monthly charges also appears as '0'.

4. Next is the **Settlement Amount** for the interval for this charge type – the amount either owed by or owed to this market participant.
5. The **Zone ID** is next. We determine energy prices for Ontario and for each of the intertie zones. ONZN indicates that this detail record refers to transactions in the Ontario zone.
6. The **Location ID** is a number that identifies the point at which the energy being settled is determined to have entered or left the grid – often referred to as the delivery point.
7. **Settlement Type** is always P for preliminary on a preliminary settlement statement.
8. The **Bill Quantity** is next. This is the amount of energy transacted by this market participant in the interval. (Note that if there is a physical bilateral contract in effect, the bill quantity will not equal the allocated quantity of energy injected (AQEI) or the allocated quantity of energy withdrawn (AQEW). For example, this MP's AQEI was 7.0, meaning that they injected 7.0 MWh during this interval. However, they sold a physical bilateral contract for 5.0 MWh. As a result, their bill quantity is only 2 MWh. For more information on physical bilateral contracts, please refer to the *Physical Bilateral Contracts* workbook, available on our [Training](#) web pages.
9. Next is the **Price** applicable during the interval. Using the bill quantity and the price, you can confirm the **Settlement Amount**.
10. The **Tax Rate** and the **Tax Billed** are shown at the end of the record.

You will note that there are a number of pipes with no numbers between them – these are space holders for fields that do not apply to this charge type. This example is for a dispatchable generator – different charge types may use different fields.

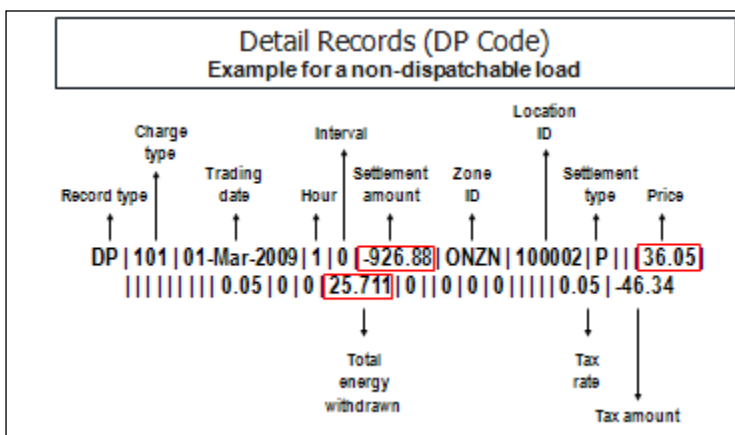
Header record for non-dispatchable load



This is a header record for a non-dispatchable load.

As you can see, the structure is the same as the structure for a header record for a dispatchable generator – but in this example the totals are negative, meaning that this MP owes the market money - in this case, \$2,221.05.

Detail record for non-dispatchable load



Please note that on the detail record for a non-dispatchable load, the trading interval is always '0' because these participants are charged on an hourly basis, not on a 5-minute interval basis.

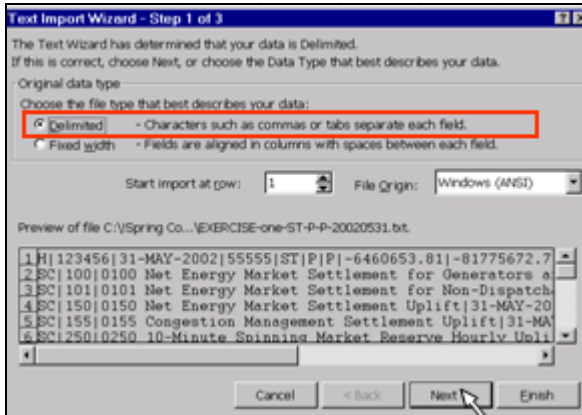
Also, note that the bill quantity is negative, indicating withdrawal of energy, but the AQEW is a positive number, even though it represents energy taken from the grid.

Opening pipe-delimited text files

Our settlement statements are formatted as pipe-delimited text files. If you open them in WordPad or Word, the columns collapse together, making the statement difficult to read. However, if you open the statement or data file in Excel, you will see the columns spread out.

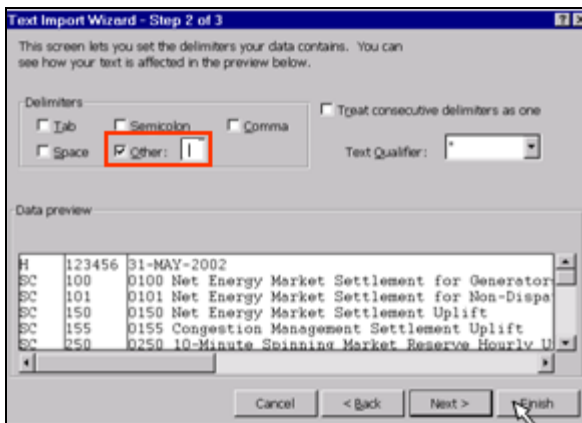
To open the file in Excel:

- Save the downloaded file as a text file
- Open the file using Excel – the import wizard pops up:



- Click the **Delimited** radio button, then click **Next**

On the next screen, indicate what is delimiting the file:



In the blank field next to **Other**, enter a pipe (the pipe symbol is on the same key as the backslash key), then click **Finish**.

Data Files

A data file accompanies the preliminary settlement statement. This file provides additional information that can help you understand your settlement statement.

- Data files are formatted as pipe-delimited text files (the same format we use for the settlement statements)
- Data files start out with a header record
- Next, if applicable, we provide physical bilateral contract information, including:
 - The buyer's and seller's market participant ID numbers
 - The location ID for the settlement of the physical bilateral contract
 - The trading dates and hours to which the contract applies
 - Details on any reallocation of uplifts between the buyer and the seller
- The zonal price data section of the data file provides you with all of the prices in the market on the trade day in both the Ontario zone and all of the intertie zones

If your facility is dispatchable, you receive two additional records:

- Schedule data showing how we scheduled your facility
- Bid and offer data showing all your submitted bids and offers

If you request it, the data file can also include your revenue meter data. If you are interested in this option, please contact your account manager.

Format Specifications for Settlement Statement Files and Data Files

Any time you are working with your settlement statements, we recommend that you have a printed copy of the *Format Specifications for Settlement Statement Files and Data Files* document available. It contains most of the information you need to know about how settlement statements are structured and what they contain. This document is available on our [Technical Interfaces](#) and [Rules, Manuals and Forms](#) web pages.

4. Notices of Disagreement

A notice of disagreement (NoD) allows you to identify issues you have with a preliminary settlement statement.

Objectives

After completing this section, you will be able to:

- Explain the NoD process, including timelines
- List reasons to file a NoD, as well as items you cannot disagree with by using a NoD

When Would You Use a NoD?

You can use a notice of disagreement to disagree with your preliminary settlement statement if you believe that the statement:

- Does not reflect your actual meter readings
- Has the wrong price (e.g., a zonal price instead of the Ontario price, or an hourly price instead of a five-minute price)
- Used incorrect schedules for your facility
- Used incorrect physical bilateral contract data
- Has incorrectly allocated your delivery point

You cannot use a NoD to disagree with:

- Calculation of prices – only the IESO has all of the information necessary to calculate these, so you cannot reasonably disagree
- The equations we use to calculate the charges on the statement – there are other avenues for you to express any concerns you may have about these – for example, the market rule amendment process

Submitting a NoD

1. Submit a separate NoD for each issue you have with your preliminary settlement statement

Use the Workflow tool to submit your NoD. Please refer to the NoD simulations on the [Training](#) web pages for submission tool steps.

2. Be sure to follow the submission window timelines

MARCH 2009						
MON	TUES	WED	THURS	FRI	SAT	SUN
					Trade Day	1
2	3	4	5	6		8
9	10	11	12	13		15
16	17	18	19	20	Preliminary Statement	22
23	24	25	26	27		29
30	31					

Callouts from the calendar:

- Trade Day: Saturday, March 7
- Preliminary Statement: Friday, March 20
- Last day to file NoD: Thursday, March 19

You must submit the NoD within four business days of when we issue the statement. Be sure the NoD is complete.

We will reject incomplete NODs.

- If a NoD relates to meter data, include the meter trouble report number
- If the NoD is for any other reason, provide a proposed correction and supporting documentation
- You have to submit what you think the correct statement entry should be, using the same format as your statement (that is, as a pipe-delimited text file)

When Would We Notify other MPs?

If other MPs are affected by your NOD, we will send them the summary text from your NOD. An example of when we would inform another MP is if there are issues with physical bilateral contract data.

Resolution of the NoD

We have three possible ways to resolve a notice of disagreement:

- We can disagree with your NoD and take no further action
- We can agree with your NoD, but propose a different solution
- We can agree with your NoD and accept your proposed solution

Timing

We make every effort to resolve NoDs as quickly as possible. In most cases, we resolve NoDs before we issue the final settlement statement for the day in question. In these cases, the corrected numbers appear on your final settlement statement.

However, if we are unable to resolve the NoD before we issue the final settlement statement, any resulting adjustment will appear on the next issued preliminary settlement statement and the corresponding final settlement statement.

In all cases, we must close a NoD within 15 business days of when we issue the final settlement statement for the trade date in question. Therefore, all NoDs are settled within 35 days of the trade date.

Dispute Resolution

If you are unhappy about our resolution of your NoD, or if you missed the four-day filing window, you can bring the issue to the dispute resolution process.

This process is a generic process available to deal with issues you may have with the IESO-administered markets. It is not specific to settlement statements as the NoD process is. It is an arbitrated process involving rulings by members of the independent Dispute Resolution Panel, which is very similar to a labour relations arbitration panel.

Be aware before you file, however, that the arbitrator can award costs to either party, including the cost of running the arbitration.

Also, if you are bringing a dispute solely because you missed the NoD filing window, you should be aware that the arbitrator will reject your case unless you can demonstrate that you could not have filed a NoD, even exercising due diligence.

5. Final Settlement Statements

Objectives

After completing this section, you will be able to:

- Distinguish between preliminary and final settlement statements
- Understand timelines for final settlement statements
- Explain the process for disagreeing with a final settlement statement

Final Settlement Statements

You receive a preliminary settlement statement 10 business days after each trade day. This is your first look at the charges or revenues for that day.

If you feel you need to, you can file a notice of disagreement regarding your preliminary settlement statement.

We issue the final settlement statement 10 business days after we issue the preliminary settlement statement. The final settlement statement includes any adjustments that were needed to the preliminary statement's numbers – for example, if the numbers changed as a result of a settled notice of disagreement.

MARCH 2009						
MON	TUES	WED	THURS	FRI	SAT	SUN
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30						

Trade Day (March 7)

Preliminary Statement (March 20)

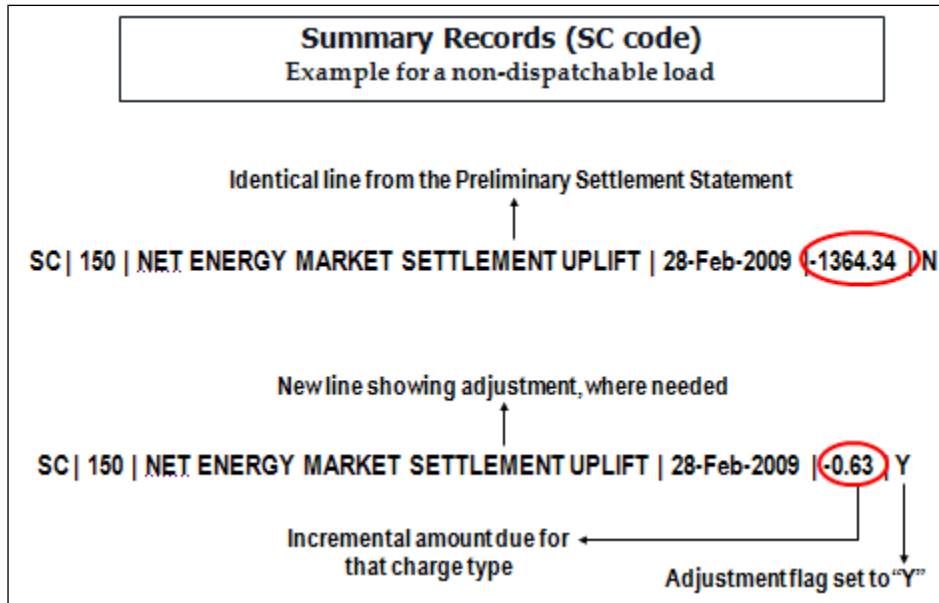
Final Statement (March 27)

Final settlement statements are in the same, pipe-delimited format as preliminary settlement statements.

As with the preliminary settlement statements, final settlement statements include header records, summary records, and detail records. They can also include manual line items.

Adjustments to the Preliminary Settlement Statement

Summary records



Information from preliminary statement included

The final settlement statement always includes all of the summary and detailed records from the preliminary settlement statement. The adjustment flag on these records is set to 'N' for 'no'.

Adjustment shows as new line

If we have made an adjustment to a charge type, an additional line with the new information is included below the line from the preliminary statement that is being adjusted.

Below any changed records, you will also see a second summary record, with the adjustment flag set to 'Y' for 'yes'.

Incremental change shown

Note that the second summary record indicates the **incremental** change to the amount due for this charge type from the preliminary statement – it does not indicate the total, final, correct amount due.

Therefore, you have to add the original line and the revised line in order to determine what the final amount owed is for that charge type.

In the example above, the preliminary statement indicated that this load owed the markets \$1364.34. However, the adjustment indicates that they actually owe 63 cents more than that. Adding these two tells you that this MP actually owes \$1364.97.

Detail records

The detail record for a final settlement statement follows the same basic pattern as the final settlement statement summary record:

- You will always see a repeat of the information from the preliminary settlement statement.
- If we have made adjustments to the charge type, the detail record is repeated.
- The adjustment flag in the line copied from the preliminary settlement statement is always set to 'C' instead of 'P' to identify it as a copy. The adjustment flag on the new line is set to 'F' indicating that this is the final adjustment.
- The values in **the settlement amount** and **tax amount** fields in the adjusted detail record line are the **incremental values** from those in the preliminary settlement statement.
- In **any other field**, the amount shown represents the **revised total, not an incremental change** from the preliminary settlement statement.

Dispute Resolution

The NoD process is available only for preliminary settlement statements.

Since final settlement statements are just the preliminary data again plus any adjustments due to NoDs, you would not expect to find any problems with your final settlement statements – other than any submitted and as yet unresolved NoDs. However, if you do find problems, you have 20 business days after we issue the final settlement statement to file a notice of dispute.

Please note that if the item under dispute was originally shown on a preliminary settlement statement, you must have filed a notice of disagreement against the preliminary settlement statement, unless you were prevented from doing so even with the application of due diligence. The dispute's arbitrator will ask you to explain why no notice of disagreement was filed, and can reject the dispute if insufficient reasons are provided.

As with any issue you may have, we encourage you to call us first to see if we can address your concerns.

6. Invoices

Up to this point, you have received settlement statements listing your liabilities and credits for each trade day of a billing period. However, no money has actually changed hands.

Objectives

After completing this section, you will be able to:

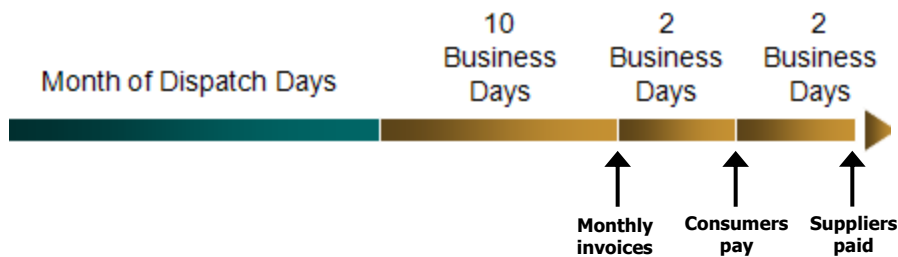
- Explain timelines for retrieving and paying invoices
- Identify the main sections of an invoice
- Describe a statement of activity

Invoices

Retrieving your invoice

As with settlement statements and data files, we post your invoice to our secure website – we do not mail or fax it. It is up to you to retrieve your invoice from the IESO confidential Reports site. The calendar showing the issue dates for statements and invoices is available via our [Market Calendars](#) web page.

Timing



- The invoice period in the real-time energy market is one calendar month.
- We post invoices 10 business days after the end of the calendar month
- If you owe money within the IESO-administered markets, you must make payments within two business days of when we issue the invoice.
- If you are owed money, you are paid two business days after we receive payment from consumers.

Recall our settlement statement timelines – we do not issue final settlement statements until 20 business days after the trade date. Therefore, your invoice is a mixture of preliminary and final information. For example, the invoice for March 2009 includes:

- Final information for March 1 through 17
- Preliminary information for March 18 through 31

Any adjustments for March 18 through 31 appear on the **April** invoice.

(The calendar below also indicates when you receive preliminary and final settlement statements. Note that on some days you receive several preliminary and final statements.)

APRIL/MAY 2009						
MON	TUES	WED	THURS	FRI	SAT	SUN
27 P 9,10,11,12,13 F 26	28 P 14 F 27,28,29	29 P 15 F 30	30 P 16 F 31	1 P 17,18,19 F 1	2	3
4 P 20 F 2	5 P 21 F 3,4,5	6 P 22 F 6	7 P 23 F 7	8 P 24,25,26 F 8	9	10
11 P 27 F 9,10,11,12,13	12 P 28 F 14	13 P 29 F 15	14 P 30 F 16	15	16	17
18	19 P 4 F 20	20 P 5 F 21	21 P 6 F 22			
25 P 8,9,10 F 24,25,26,5	26 P 11 F 27	27 P 12 F 28	28 P 13 F 29			

Invoice for April

Final Statements:
April 1-16

Preliminary Statements:
April 17-30

Adjustments:
March 18-31

Information on your invoice

- Your invoice lists all the charge types that apply for the billing period, along with a description of the charge type and the amount owed by you or to you for that charge type.
- Note that on your invoice, a positive number means that you owe the market money, and a negative number means that the market owes you money. On your settlement statements, the reverse is true – a negative number means that you owe the market money, while a positive number means that the market owes you money.
- As with settlement statements, all amounts on your invoice are in Canadian dollars.
- The invoice shows the total amount owed by you or to you, along with the payment due date.

Payments

Payments are due from market participants within two business days after we issue the invoice. We then pay suppliers and transmitters by the fourth business day after we issued the invoice.

A payment should relate to only one invoice – this will avoid confusion.

Payment in full required

You must pay your invoice in full, even if you have an outstanding notice of disagreement that you are sure we will accept. Any corrections will appear on a subsequent invoice. We have to be stringent about this because we are a revenue neutral organization. Therefore, each month the amount we collect has to be the same as the amount we pay out.

Electronic Funds Transfer (EFT)

Please make all payments by electronic funds transfer (EFT).

Because of this requirement, you need to have an account with a bank that has EFT capability and that has a branch in Ontario.

Be sure to include information identifying the transaction.

Manual Invoices

We issue manual invoices under a number of circumstances, including:

- To recover interest charged on late payments
- To recover the cost of processing over-payments
- To recover arbitration costs that have been assigned to the MP by the arbitrator
- To pay an MP for credits arising out of a mediation, or to recover any payments arising from an arbitration decision
- To impose monetary compliance penalties

Receiving and paying a manual invoice

Manual invoices are not necessarily produced on the same day as the regular monthly invoice. They can be produced at any time of the month.

- We notify the MP via email when we issue a manual invoice.
- Payment of manual invoices is required within two business days of when we issue the invoice if the invoice is for financing charges, and within ten business days for all other charges. To avoid confusion, the invoice specifies the payment date.

Note that it is important to keep your company contact information up-to-date to ensure that you do not miss downloading and paying a manual invoice on time.

Statement of Activity

Along with settlement statements and invoices, we also issue statements of activity. A statement of activity is similar to a bank statement for your account with us - it gives you a record of your account activity for the calendar month.

We issue statements of activity on the first business day of each month. The statements include information on:

- The opening and ending balances for the month
- Any invoices issued during the month
- Any payments or receipts for the month
- Any past due amounts if you didn't pay your invoice on time

Independent Electricity System Operator Statement of Activity					
			Independent Electricity System Operator Station A Box 4474 Toronto, Ontario M5W 4E5 Canada		
			Date: 01-APR-2009		
			MP ID: 999999		
Powercorp 123 Main Street Anytown, ON L4L 4L4 Canada					
For the statement period: 01-MAR-2009 to 31-MAR-2009					
Beginning Balance on: 01-MAR-2009 \$0.00					
Transactions					
Transaction Number	Date	Due Date	Transaction Type	Amount	
20000	13-MAR-2009	17-MAR-2009	PHYSICAL INVOICE	\$80,281.30	
Subtotal Transactions				\$80,281.30	
Receipts					
Date	Reference			Amount	
17-MAR-2009	44444			(\$80,281.30)	
Subtotal Receipts				(\$80,281.30)	
Ending Balance on: 31-MAR-2009 \$0.00					
Informational Summary:					
Current	Past Due				Financial Charge
	1-30 Days	31-60 Days	61-90 Days	Over 90 Days	
\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

7. Financial Markets

We use the same process for invoicing the physical and financial markets, but the timing is different.

Objectives

After completing this section, you will be able to:

- List the timelines associated with both physical and financial market settlement statements and invoices.

Financial Market Settlement Statements and Invoices

The only financial market we administer is the Transmission Rights (TR) Market. TR's allow for payments based on the price differential between the Ontario zone price and the price in an intertie zone. We sell TRs in auctions that do not conform to physical market timelines. (For additional information about TRs, please see the *Transmission Rights* workbook, available on our [Training](#) web pages.)

Financial market timelines

- We issue preliminary settlement statements two business days after the close of a transmission rights auction
- We issue final settlement statements four business days after the preliminary settlement statements – i.e., six business days after the end of the auction

No data files

There are no data files in the financial market.

Notices of disagreement

- In the financial market, you have only two business days to file a notice of disagreement (not four business days as you have in the physical markets)
- The window for a notice of dispute is 20 days – the same as in the physical markets

Billing period and payment timelines

The billing period for the financial market is one week instead of the one month in the physical markets.

We issue invoices six business days after the billing period (the same day we issue final settlement statements).

Retrieving settlement statements and invoices

As with physical market settlement statements and invoices, we post your financial market statements and invoices to our secure website – we do not mail or fax them. It is up to you to retrieve them from our confidential Reports site.

The calendar showing the issue dates for financial market statements and invoices is available via our [Market Calendars](#) web page.

Timelines comparison

	Physical Markets	Financial Market
Preliminary settlement statements	Issued ten business days after trading day	Issued two business days after close of auction
Final settlement statements	Issued ten business days after preliminary statement issued	Issued four business day after preliminary statement issued
Invoices	Issued ten business days after end of billing period	Issued six business days after end of billing period
Payment due to IESO	Two business days after invoice issued	Two business days after invoice issued
Notice of disagreement	Four business days after preliminary settlement statement issued	Two business days after preliminary settlement statement issued
Dispute resolution	File within 20 business days of final settlement statement issue	File within 20 business days of final settlement statement issue
Access to settlement statements and invoices	IESO confidential Reports site	IESO confidential Reports site

8. Skill Check

Questions

1. Which charge type series do we use for energy purchases and sales?
 - a) 100 series
 - b) 200 series
 - c) 300 series
 - d) 400 series
2. True or False: In the physical markets, we issue preliminary settlement statements ten calendar days after the trading date.
3. If you wish to submit a NoD in the physical markets, you must submit it no later than ____ business days after we issue the preliminary settlement statement.
4. True or False: In the physical markets, we produce final settlement statements for each business day in the month.
5. How often do we produce invoices for the physical markets?
 - a) Each business day
 - b) Once a week
 - c) Once a month
6. When is payment due to the IESO?
_____ business days after we issue the invoice.
7. When are payments due to participants from the IESO?
_____ business days after we issue the invoice.
8. How do you receive settlement statements and invoices?
 - a) You receive them by mail from the IESO
 - b) You receive them by fax from the IESO
 - c) You retrieve them via the IESO confidential Reports site
9. True or False: It is possible to receive 3 preliminary settlement statements on one day.

10. On a final settlement statement, if the adjustment flag is set to 'Y', the new amount owing on the second summary record indicates:
 - a) The incremental change
 - b) The new total
11. In the financial market, you have ____ days after we issue the preliminary settlement statement to file a NoD.
12. True or False: If you submit a NoD, you must submit what you think the correct statement entry should be, using the same format as your statement.

Answers

1. Which charge type series do we use for energy purchases and sales?
 - a) **100 series** ✓
 - b) 200 series
 - c) 300 series
 - d) 400 series

2. True or **False** ✓ : In the physical markets, we issue preliminary settlement statements ten calendar days after the trading date.
Comment: We issue preliminary settlement statements ten **business** days after the trading date.

3. If you wish to submit a NoD in the physical markets, you must submit it no later than 4 business days after we issue the preliminary settlement statement.

4. True or **False** ✓ : In the physical markets, we produce final settlement statements for each business day in the month.
Comment: We produce final settlement statements for each **trading** day in the month.

5. How often do we produce invoices for the physical markets?
 - a) Each business day
 - b) Once a week
 - c) **Once a month** ✓

6. When is payment due to the IESO?
2 business days after we issue the invoice.

7. When are payments due to participants from the IESO?
4 business days after we issue the invoice.

8. How do you receive settlement statements and invoices?
 - a) You receive them by mail from the IESO
 - b) You receive them by fax from the IESO
 - c) **You retrieve them via the IESO confidential Reports site** ✓

9. **True** ✓ or False: It is possible to receive 3 preliminary settlement statements on one day.
10. On a physical market final settlement statement, if the adjustment flag is set to 'Y', the new amount owing on the second summary record indicates:
 - a) **The incremental change** ✓
 - b) The new total
11. In the financial market, you have 2 days after we issue the preliminary settlement statement to file a NoD.
12. **True** ✓ or False: If you submit a NoD, you must submit what you think the correct statement entry should be, using the same format as your statement.

9. Additional Information

[Training](#) web pages:

- Workbooks
 - *Introduction to Ontario's Physical Markets*
 - *Interjurisdictional Energy Trading*
 - *Revenue Metering*
 - *Physical Bilateral Contracts*
 - *Transmission Rights*
- *Commercial Reconciliation* recorded presentation
- *Guide to Prudentials at the IESO*
- *Guide to the IESO Portal*
- *Guide to Online Data Submission via the IESO Portal*
- Tool simulations

[Technical Interfaces](#) web page and [Rules, Manuals and Forms](#) web page

- *IESO Charge Types and Equations*
- *Format Specifications for Settlement Statement Files and Data Files*

IESO [Settlements](#) web pages

IESO Settlements market manual (Market Manual 5), available on the [Rules, Manuals and Forms](#) web page