EUB Alberta Energy and Utilities Board

PROJECT CHARTER

TARIFF BILLING CODE DEVELOPMENT

Prepared For: Alberta Energy and Utilities Board

Date Completed: May 21, 2004

Document Version: 3.0

Disposition: Update to Final

EUB Alberta Energy and Utilities Board

Authors

This document was prepared by:

Stovel Ferguson, Manager BearingPoint, LP 205 – Fifth Avenue SW Calgary, AB T2P 2V7 T: 403-290-2517 F: 403-290-6675 stovel.ferguson@bearingpoint.com		

Date	Document Version	Document Revision Description	Document Author
April 6, 2004	1.0	Initial Draft	Stovel Ferguson
April 23, 2004	1.1	Update with additional stakeholder input	Stovel Ferguson
April 29, 2004	1.2	Update with review feedback	Stovel Ferguson
April 30, 2004	2.0	Update with market participant feedback	Stovel Ferguson
May 21, 2004	3.0	Update to clarify scope as it relates to wholesale billing	Stovel Ferguson

Approval Date	Approved Version	Approver Role	Approver	Initials
May 21, 2004	3.0	Project Sponsor	Robert Heggie	

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1. Introduction & Background

The development of a standard approach to facilitate the efficient and reliable transfer of billing information between the owners of electric distribution systems ("Wire Owners") and retailers and the supporting operation standards is overdue for the province.. There is a recognized need among industry stakeholders to develop standards to support a consolidated retailer bill ready model (the "Alberta Retail Billing Model"). That is, a model where the retailer creates the customer bill consolidating the energy and distribution related charges on a single bill, and where the Wires Owner provides the retailer with bill ready information that would be used on that bill (i.e. the retailer would not be required to calculate the Wire Owner's charges).

2. Purpose of this Document

The purpose of this document is to provide a common understanding of the Retail Billing Standards Definition project, its key deliverables, schedule, etc. and to generate alignment with market direction and stakeholder expectations.

3. Project Mission & Objectives

3.1. Project Context

Three years after the market opened the Electrical Utility market is still struggling with the data exchange and operational process of retail billing. A great part of that struggle can be associated with the inconsistencies, and lack of performance around the exchange of billing information between the Wire Owners and the Retailers in the province. Billing issues are costing market participants millions of dollars monthly, cost that are ultimately pushed on to the end consumer. Market participants are making progress toward meeting the requirements of the Regulated Default Supply Regulation ("RDS Regulation") and to a certain degree the development of loose standards for billing data exchange, but a coordinated approach is required to bring the RDS work and other key retail billing challenges under a single umbrella initiative to deliver intended benefits to market participants. The Alberta Energy and Utilities Board ("EUB"), in consultation with stakeholders, is undertaking an initiative to establish a set of rules, or "a code", that would set out the requirements for Wire Owners to transfer billing related information in a timely and accurate manner with a minimal amount of room for interpretation.

The following is a summary of three key challenges faced by the Energy Utilities Board with respect to the Alberta Retail Billing Model:

o In response to the November 2002 RIMC report, the RDS Regulation requires distribution and transmission (DAT) charges be synchronized with meter reading cycles, that DAT charges be based on a monthly meter read or estimate, and this process be implemented by July 1, 2004.

o Market participants are demanding wires owners employ a defined standard transaction set and processes to transmit tariff or service order based retail bill data to retailers.

o Pressure is mounting for the Alberta bill model transition to a bill ready model that support retailers in billing unbundled bills on a timely and accurate basis and supports customer communications of a commercial nature.

3.2. Project Mission

As articulated in a February 27, 2004 press release, the EUB is exercising its legislative authority to establish the development of retail billing standards in the province.

As part of the Government of Alberta's strategy to encourage participation in the restructured electricity market in Alberta, and in response to the Retailer Information Management Committee's November 2002 Final Report, the Board has announced the commencement of an initiative to set the minimum obligations that a wire owner must meet in determining the wholesale financial settlement information to be provided to electricity retailers.

All customers are entitled to timely and accurate billing. Consequently, entities under the EUB's jurisdiction that carry out the functions of an owner of an electric distribution system will be required to provide wholesale financial settlement information in a standardized format.

In response to the Retailer Information Management Committee's (RIMC) November 2002 Final Report, the Board is inviting interested stakeholders to provide input regarding the mandatory information required, the electronic business transaction that facilitates the communication of the information as well as the business rules that govern the use of the transaction. The EUB will also directly contact the interested stakeholders to invite their participation.

To assist with the development of the electronic business transactions and the documentation of the related business processes and rules, the EUB has retained the services of an external project manager, Stovel Ferguson of BearingPoint.

3.3. We Are Done When

- o A Tariff Billing Code defines processes, transactions and compliance rules to support Retail Billing
- o Market participant solution design and implementation plans are developed
- o The industry costs and benefits are documented in a business case to proceed
- o A decision to proceed with implementation of the Tariff Billing Code is made based on the market-level business case benefits

3.4. We Have Won When

- o The Tariff Billing Code is accepted by market participants and forms the basis of market participant internal solution designs and change plans
- o The EUB receives few complaints from market stakeholders on the subject of alignment with, and support of, the Tariff Billing Code
- o Press generated on the subject of the Tariff Billing Code is positive in nature

3.5. Who Votes on Done/Won

Robert Heggie, Executive Manager EUB Utilities Branch

4. Project Scope

4.1. Scope

The following items are IN scope for this project:

#	Scope Item	Description
1	Consumption estimation	Development of consumption estimates between actual reads for retail charges and delivery charges
2	Consumption true-up following estimate	Consumption true-up following estimate to allocate consumption between meter reading cycles
3	Wire Owner tariff file production	Production of the tariff file to support bill-ready retail billing
4	Service order billing	Production of service order (non-energy or one-time) charges in alignment with tariff file production
5	Tariff file rejection	Rejection of tariff file in whole or in part by a Retailer
6	Cancel / re-bill process	Reversal of charges for a period and replacement with adjusted charges following tariff file rejection or proactive error correction
7	Performance (compliance) standards	Performance criteria for processes feeding into or impacting Retail Billing
8	Tariff billing governance	Regulatory, inter-company and operating guideline governance for Retail Billing
9	Compliance monitoring and reporting	Monitoring and reporting performance of processes feeding into or impacting Retail Billing
10	Compliance enforcement	Performance enforcement mechanisms for processes feeding into or impacting Retail Billing
11	Dispute resolution process	Resolution of disputes relating to performance of processes feeding into or impacting Retail Billing
12	Wholesale (Wire Owner) billing	Limited to linking tariff file production to wholesale billing for tariff file format validation and invoice reconciliation

In Scope Items

The following items are OUT of scope for this project:

#	Out of Scope Item	Description
1	Wholesale billing standardization	Processes, transactions, standards and practices to govern the Wire Owner-tariff wholesale billing function in the marketplace
2	Compliance enforcement for REAs and municipalities	The EUB does not regulate REAs or Municipality owned Distribution companies. The Department of Energy will determine how to make the Tariff Billing Code binding on everyone. They have not yet determined the mechanism to enable this.
3	Service Order process standardization	Processes and transactions to support request for, receipt of, and completion of service orders (non-energy or one-time services)

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#	Out of Scope Item	Description
4	Distribution tariff standardization	Standardization of Wire Owner tariff structure, determinants, and rate classes.

Out of Scope Items

4.2. Stakeholder Expectations & Deliverables
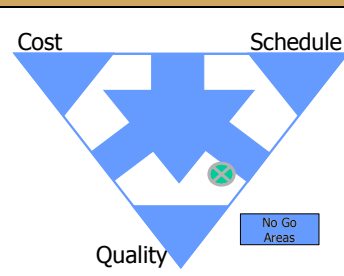
The following list identifies the project stakeholders, their expectations, and the specific deliverables that will address / meet the expectations.

Stakeholder	Expectation	Deliverable
o Retailers o Wires Owners o Department of Energy o AESO o EUB	o Alignment of consumption and cycles in retail and distribution charges o Processes established for verifying consumption estimates o Provision of all necessary site information needed for bill preparation o A Tariff Billing Code that leaves little to no room for interpretation o Seek to align the Tariff Billing Code with the Settlement System Code to maintain a single standard o Minimize impact to customer (avoid havoc in marketplace) o Lever e-LSI initiative where possible for transaction validation, compliance monitoring and reporting o Address standard practices as well as error processing, exception processing, etc. o Performance standards, monitoring, enforcement, and penalties o Standard format and content for tariff file o Meter read cycle change notification	o Consumption estimation specifications o Tariff file structure, contents and format specifications o Exception handling specifications o Compliance monitoring and enforcement specifications o Tariff Billing Code o Business case o Performance standards

Stakeholder Expectations & Deliverables

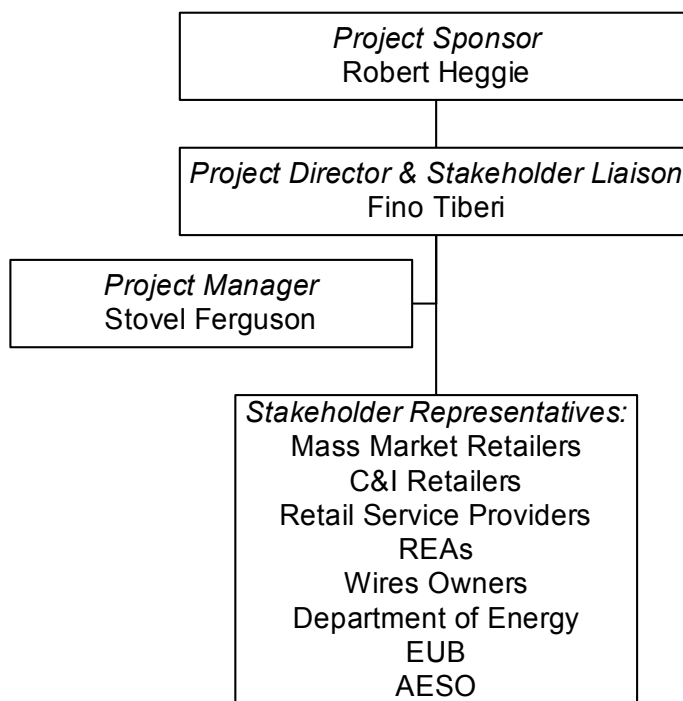**EUB** Alberta Energy and Utilities Board

5. Priority Management

When faced with a project issue, deliverable quality will be protected first at the expense of cost, and next at the expense of schedule.

Dimension	Implication	Priority Triangle
Quality	The scope and quality of the deliverables are paramount in addressing retail billing issues	
Schedule	Implementing a solution to retail billing issues in a timely manner is important, but second to providing a quality solution	
Cost	Developing and implementing a retail billing solution will be performed in a cost effective manner, but additional costs will be incurred in the interest of protecting solution quality and implementation timeframes	

Priority Triangle & Implications

6. Governance Model

The illustration below outlines the project reporting relationships.

Project Sponsor
Robert Heggie

Project Director & Stakeholder Liaison
Fino Tiberi

Project Manager
Stovel Ferguson

Stakeholder Representatives:
Mass Market Retailers
C&I Retailers
Retail Service Providers
REAs
Wires Owners
Department of Energy
EUB
AESO

Governance Model

6.1. Roles and Responsibilities

Each group has specific responsibilities to ensure the achievement of project objectives. Statements of responsibility are outlined in the table below.

Group	Responsibilities
Project Sponsor	o Establish project direction o Review and accept project deliverables
Project Director & Stakeholder Liaison	o Communicate project related matters to the market o Set direction for Project Manager and monitor progress o Assist in the resolution of issues
Project Manager	o Facilitate stakeholder representative sessions to secure deliverable input o Develop project deliverables o Provide industry insight and delivery oversight o Perform research into practices of other markets and jurisdictions o Contribute positions[1] for discussion at stakeholder representative sessions
Stakeholder Representatives	o Champion the project within their respective organizations o Participate in stakeholder representative sessions o Contribute positions[2] for discussion at stakeholder representative sessions

Governance Model – Roles and Responsibilities

7. Project Approach

The approach, as outlined below, is based on two phases:

o Phase 1 – Design and Publish

o Phase 2 – Market Testing & Deployment

This charter covers Phase 1 only

Phase 1 is based on a collaborative approach, engaging the EUB and Stakeholder Representatives, to ensure support and acceptance of the final deliverables and implementation schedules. The Project Manager, working with the EUB, will facilitate the involvement of Stakeholder Representatives during each of the steps in the development process. Together we will gather industry requirements, practices from other markets and develop the "strawman deliverables" that will subsequently be reviewed and edited with Stakeholder Representative involvement using an efficient consultation process.

A Steering Committee will oversee the Code development, and working groups composed of industry participants will work with the EUB/BearingPoint team on a more regular basis.

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[1] Position statement articulating alternates considered, merits and conclusions based on Stakeholder Participant debate or external research
[2] Position statement articulating alternates considered, merits and conclusions based on Stakeholder Participant debate or external research

7.1.   Change Control

o   Any changes to the project (scope, dones, wons, schedule, budget, etc.) will be managed through a formal change control process and approved prior to implementation.

o   The change control process and associated forms are available under separate cover and upon request.

7.2.   Issue Management

o   All issues regarding the project will be documented (MS Word, E-mail) and forwarded to the Project Manager.

o   Issues will be captured by the Project Manager in the project issue log.

o   Assignment, status, and follow-up will be captured in the project issue log by the Project Manager and circulated to assigned parties.

7.3.   Quality Assurance

o   The Project Manager is responsible for the overall quality of the project and will proactively manage delivery accordingly.

o   Active engagement of Stakeholder Representatives will help ensure market ownership of deliverables and commitment to project outcomes.

7.4. Constraints and Assumptions

The following assumptions were made in the definition of scope and estimation of schedule, cost and effort for the project. They will be monitored through the project lifecycle:

#	Assumption	Tested Pre-Signoff
1	Frequent and productive market participant engagement	✓
2	Parallel industry initiatives will not impair this project's ability to deliver according to schedule	✓
3	Current industry infrastructure will be levered	✓
4	Tariff file development will use current file formats and contents as a starting point	✓

Key Project Assumptions

Should the assumptions stated herein change, the Project Manager will consider the additional effort necessary to deal with the issues or to accomplish the project objectives as out-of-scope work, which may result in an adjustment of fee or scheduling estimates. The Project Manager will inform the EUB through regular progress reports, adherence to the project schedule and budget, and any issues that may impact the expected outcome of the work.

7.5. Dependencies

Project success depends on:

o   Regular participation of market stakeholders in design sessions

o   Market stakeholder ownership of project deliverables and outcomes

7.6.   Risks & Issues

The following Risks, Mitigating factors and Contingencies have been identified for this project:

#	Risk Description	Probability	Impact	Contingency/Mitigation
1	Parallel industry initiatives distract key stakeholders from participating in this project	High	High	Collaborate with Project Management team of parallel initiatives to confirm scope, timing, degree of stakeholder participant involvement and agree on common approach
2	Interdependencies between this project and parallel industry initiatives are not managed	Medium	High	Collaborate with Project Management team of parallel initiatives to confirm key milestone dependencies, workplan coverage, and assignments for ongoing monitoring / communication
3	Stakeholder expectations shift or are unmet by project deliverables	Low	High	Clearly articulate stakeholder expectations at the outset of the project, define scope according to common expectations, regularly reinforce project scope and objectives, identify adjustments in expectations throughout the project, employ a change control process to assess feasibility of incorporating new or adjusted expectations, communicate the outcome of the change control process

Key Project Risks and Mitigation Plans

7.7. Key Milestones and Deliverables

There are three primary deliverables that result from Phase 1 – Design and Publish. A description of each is offered below.

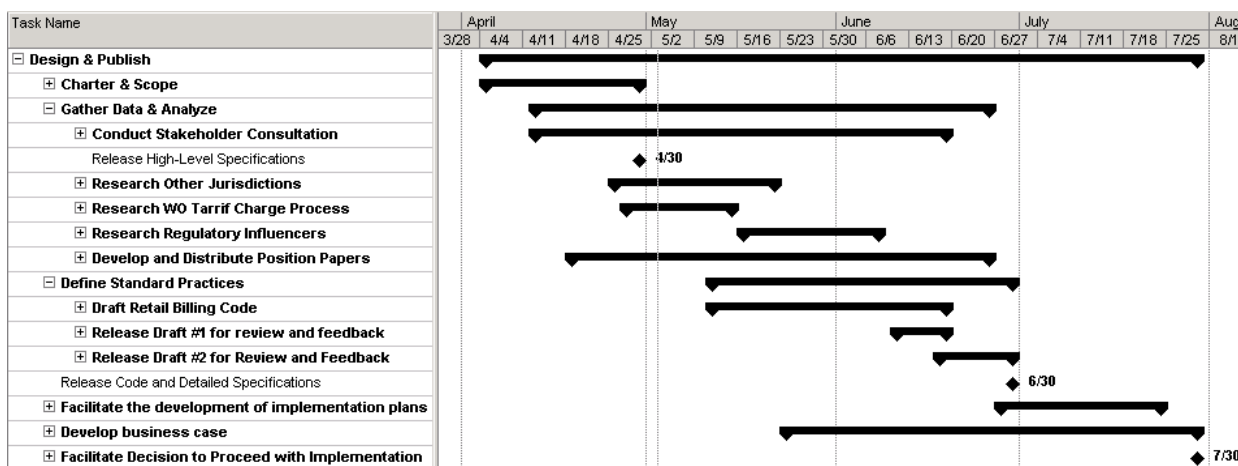| ID	Deliverable/ Milestone	Deliverable/ Milestone Description	Responsibilities		
			Project Manager	Stakeholder Representatives	EUB
D1	Consumption estimation specifications	Specification document outlining the processes, governance, information exchange and responsibilities involved in producing consumption estimates	Document	Develop, Review, Approve	Review, Approve
D2	Tariff file structure, contents and format specifications	Specification document outlining the processes, governance, information exchange and responsibilities involved in producing the tariff file (detailed data element definition and structure included)	Document	Develop, Review, Approve	Review, Approve

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ID	Deliverable/ Milestone	Deliverable/ Milestone Description	Responsibilities		
			Project Manager	Stakeholder Representatives	EUB
D3	Exception handling specifications	Specification document outlining the processes, governance, information exchange and responsibilities involved in handling tariff file exceptions	Document	Develop, Review, Approve	Review, Approve
D4	Compliance monitoring and enforcement specifications	Specification document outlining the processes, governance, information exchange and responsibilities involved in monitoring, reporting, enforcing compliance as well as resolving disputes arising from tariff file production performance	Document	Develop, Review, Approve	Review, Approve
D5	Retail Billing Code	A single reference document outlining the four specification areas and providing overall standards for producing data flows to support bill ready consolidated Retailer billing	Document	Develop, Review, Approve	Review, Approve
D6	Business case	A mid-level assessment of the benefits and costs to the market of implementing the Retail Billing Code	Document	Develop, Review, Approve	Review, Approve
M1	Publish H-L Specs	High-level specs issued to Wire Owners for review and feedback	N/A		
M2	WO Response to H-L Specs	Wires Owner feedback on high-level specs (impact assessment)	N/A		
M3	Publish Retail Billing Code	Publication of validated Retail Billing Code	N/A		
M4	MP Design & Implementation Plans Due	Market Participant submission of internal solution design and implementation plans	N/A		
M5	Decision to proceed with implementation	Market decision to implement Retail Billing Code	N/A		

Key Milestones and Deliverables

7.8.   High-Level Plan

7.8.1. Workplan

The following gantt chart provides a high-level overview of project workstreams, timing and milestones. The detailed work breakdown structure can be found in the reference workplan file[3].

Project Workplan

7.9.   Progress Reporting

o   The Project Manager will develop and circulate a project status report to the Project Director and Stakeholder Liaison, on a weekly basis.

o   The Project Manager and the Project Director and Stakeholder Liaison will provide semi-monthly status updates to the Project Sponsor.

o   The Project Manager and the Project Director and Stakeholder Liaison will meet with the Steering Committee on a monthly basis to present project deliverables, review status, identify and resolve issues and confirm project direction.

o   The Project Manager, in collaboration with the Project Director and Stakeholder Liaison, will perform ad hoc checkpoints and schedule formal status meetings with key Stakeholder Representatives as required.

7.10.   Communication

o   E-mail will be the primary means of communication for the project.

o   The Project Sponsor has communicated the objective, importance, scope, and related details of the project to the market in a written memo, circulated via e-mail on February 27, 2004. Follow up communications will be issued at key delivery milestones.

o   The Project Director and Stakeholder Liaison will deliver communication to the market (includes stakeholder communications, steering committees, etc.)

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[3] AEUB Detailed Work Plan_phase1

- o The Project Manager will communicate to the delivery team (includes business analysts, working groups, etc.)

7.11. References and Related Documents

The following related documents serve as reference material in support of this charter:

1. 2004-02-27_Stakeholder_Letter – source: AEUB

2. AEUB Detailed Work Plan_phase1 – source: BearingPoint Project Manager

3. Change Control Plan – source: BearingPoint Project Manager