Settlements Vision: “A team united to serve our members with efficiency and excellence, one successful settlement at a time.”

News Update

SUG Conference Information:

Please join us for the upcoming Settlement User Group Conference on Nov. 9th and 10th. It is a great chance for us to put faces with names and share good ideas. The registration and agenda information are below. If you have any questions, please don’t hesitate to contact Amy Bell at ambell@spp.org or (501) 482-2322.

Conference Dinner Event
Nov 9, 2016
Location:
Clinton Presidential Center
1200 President Clinton Ave
Little Rock, AR 72201
501-374-4242

Time: 6:00 p.m. – 8:00 p.m.

Additional Information:
Directions and Hotel information can be found:
https://www.spp.org/about-us/little-rock-hotels/
The SPP Corporate Center is located just past the Kroger Marketplace, off Kirk Rd.

Registration Information:
Please register for the Settlement User Conference on the SPP.org Events. There will only be one registration for all days and dinners.
https://www.spp.org/events/calendar/settlement-user-group-conference-20161109-10/

Wednesday, November 9, 2016
SPP Corporate Center
8:00 a.m.—5:00 p.m.

8:00 a.m. CONTINENTAL BREAKFAST
8:30 a.m. Welcome/Introduction
8:45 a.m. Systems & Project Update
9:15 a.m. Business Process Update
9:45 a.m. Transmission Portal Transition
10:00 a.m. BREAK
10:15 a.m. Request Management System
11:00 a.m. Customer Interaction Activity
11:30 a.m. LUNCH
12:45 p.m. Panel Discussion: Validating & Auditing
2:00 p.m. Intro to Breakout Sessions
2:15 p.m. BREAK
2:30 p.m. Breakout Sessions
4:15 p.m. Customer Care Update
5:00 p.m. Adjourn for Dinner

Thursday, November 10, 2016
SPP Corporate Center
8:00 a.m.—11:30 a.m.

8:00 a.m. CONTINENTAL BREAKFAST
8:30 a.m. Transmission Billing Methodology
9:30 a.m. Introduction to Breakout Sessions
9:45 a.m. BREAK
10:00 a.m. Breakout Sessions
  - Stored Energy Resources
  - Schedule II
11:30 a.m. ADJOURN
One of the biggest requests we have received over the previous year is MORE TRANSMISSION TRAINING! In response, SPP has developed a series of quick-hit training courses covering the various transmission charges that can be taken at the convenience of the members. If you have not had a chance to take these courses, please do so.

- **Overview**: The Transmission Settlements Overview course will describe the high-level transmission data flow from inputs to outputs related to Transmission Settlements. Print the TERMS AND ACRONYMS "PDF" document located under Resources for use throughout the course.

- **Schedule 1**: Schedule 1 provides the scheduling and administering of the movement of power into, out of, through or within SPP balancing authorities. This module will describe who Schedule 1 applies to and how the Schedule 1 rates are set for both Into-and-Within, as well as, Through-and-Out transactions. You will also learn how the Schedule 1 charges are calculated.

- **Schedule 1A**: Schedule 1A is an administrative charge that is applied to all transmission service under the OATT to cover the transmission provider’s expenses related to administration of the OATT. This module will describe the purpose of Schedule 1A, how the rate is determined, how to locate the rate, what the current rate is and how to calculate the NITS and PTP Schedule 1A charges.

- **Direct Assignment**: This course describes the purpose of Schedule 8 and how it works with NON-FIRM Point-to-Point transactions. You will learn how Schedule 8 is calculated for "Into-and-Within" and "Through-and-Out" transactions and which four service increments are available for Schedule 8. The course describes the calculation components and formula for calculating the charges and revenue.

- **Schedule 7**: This course describes the purpose of Schedule 7 and how it works with FIRM Point-to-Point transactions. You will learn how Schedule 7 is calculated for "Into-and-Within" and "Through-and-Out" transactions and which four service increments are available for Schedule 7. The course describes the calculation components and formulas for calculating the charges and revenue.

- **Schedule 8**: This course describes the purpose of Schedule 8 and how it works with NON-FIRM Point-to-Point transactions. You will learn how Schedule 8 is calculated for "Into-and-Within" and "Through-and-Out" transactions and which four service increments are available for Schedule 8. The course describes the calculation components and formula for calculating the charges and revenue.

- **Schedule 9**: The Network Integration Transmission Service (NITS) allows the Network Customer to integrate, economically dispatch and regulate its current and planned Network resources to serve its Network Load in a manner comparable to that in which the Transmission Owners utilize the Transmission System to serve their Native Load customers. This module will describe the purpose of Schedule 9, and the data inputs used for the calculation of the Schedule 9 NITS charges and revenues.

- **Schedule 12**: Schedule 12 is the mechanism for handling the annual charges paid to FERC. This module describes this process, the inputs used and the formula for the calculation of Schedule 12.

- **Direct Assignment**: This course will explain the function of Direct Assignment, the xml inputs, associated pass through schedules and outputs.

(continued on next page)
The Settlements Production Team would like to introduce you to their newest team member: Eric Johnson. Eric is a Settlement Analyst on our Production Team. He will begin with a rotation in post validations for both Transmissions and Integrated Markets. He received his B.A. with a double major in accounting and finance from the University of Central Arkansas in December 2014. He was previously employed by Centennial Bank. Eric is from Mayflower, Ark., and still lives there with his wife and 17-month-old daughter, Kinlee. Eric’s hobbies include fishing, hunting, baseball, watching sports and working out.

"None of us is as smart as all of us." --Ken Blanchard

SPP Settlements Mission Statement
We provide timely and accurate financial settlements and consultative support to build stakeholder confidence.

WELCOME ABOARD!

LMS continued:

⇒ Monthly Assessment: SPP will assess certain members, on a monthly basis, all costs that are not otherwise collected. Costs recovered under the Monthly Assessment will include but are not limited to all operating costs, financing costs, debt repayment and capital expenditures associated with the performance of SPP’s functions as assigned by the board of directors. This module will describe the purpose for the Monthly Assessment, data submission requirements, how the charges and revenues are calculated and distributed.

⇒ Manual Adjustments: Due to the complex nature of transmission charges, some must be entered as manual adjustments. These transactions are applicable to both NITS and Point-to-Point service. This module describes the types of adjustments used, when they are typically used, and how Transmission Owners and Transmission Customers can view them.

Additional courses are being developed and expected to be completed soon, which will provide an end-to-end coverage of all Transmission Billing Charges. To locate the modules, access the Learning Center and type Transmission Settlements in the search box.
SETTLEMENTS SPOTLIGHT

MID-YEAR SETTLEMENTS SURVEY

The Mid-Year Settlements survey was completed in June, and Settlements greatly appreciates the tremendous response and feedback that was provided!

The information we received from the survey is used along with RMS tickets, SUG calls, emails, phone calls and other feedback to drive several initiatives. Those include the SPP SUG Fall conference agenda, training opportunities and newsletter items. It also provides us with information on what our members are interested in hearing about and at what level the information should be presented.

Listed below are some of the top issues and actions that are in progress to address the top requests:

◊ **MORE SETTLEMENTS TRANSMISSION TRAINING:** The creation of a series of LMS training courses covering all the Transmission Charges along with SUG Fall Conference training and break-out sessions.

◊ **Transmission Portal Enhancement:** Better interaction with members for Transmission

◊ **SUG Feedback for MWG requests/enhancements:** Tony and John have provided presentations and trainings

SETTLEMENTS DEVELOPMENT AND TESTING

**Transmission Settlement Releases**

**Schedule 11 NITS Regional & Resident Load 2A/2B Split (TSS 1.3)** – Implemented October 2016

- No new charge types; bill determinants will be added to the XML to enable members to shadow the 2A/2B split
- Sample XML and a calculation guide located [here](#)
- Changes effective with August 2016 NITS and forward; October 2015 NITS Resettlements and forward

**New Direct Assignment Charge Types (TSS 1.2)** – Targeting November 2016

- Additional charge types that TOs can utilize for passing through imbalance charges to their customers:
  - GEN_IMBALANCE_DIRECT_ASSIGNMENT_AMT
  - ENERGY_IMBALANCE_DIRECT_ASSIGNMENT_AMT
- Will not require any changes by TOs unless they plan to utilize them for billing to their customers

**NITS on OASIS** March 1, 2017

- Settlements will not utilize the new NITS TSRs for billing until coordination with the TOs submitting billing data has occurred
- Updates on the timing will continue to be made via the CWG/SUG

**Z2 Credit Stacking** – Implemented October 2016

Member Impacting Project Overview (MIPO) - [http://www.spp.org/spp-documents-filings/?id=20945](http://www.spp.org/spp-documents-filings/?id=20945)

- September 2016 will be first month processed via normal ‘go forward’ process in the month of October (Nov. 3 invoice)
  - Detailed XML produced by engineering group will be posted to the SPP Portal
  - Additional Manual Adjustment charge types added in order to pass Z2 totals through to the Settlement invoice for billing
- March 2008 – August 2016 are being handled separately referred to as the historical Z2 settlement (Nov. 3 invoice)
  - Companies that owed money on a net basis were required to notify SPP by Oct. 7 on whether they will pay the full balance in a lump sum or enroll in the payment plan
Development and Testing continued ...

**COS Portal Transition** (TSS 1.4) – All transmission inputs/outputs currently located on the COS Portal will be transitioned to the Marketplace Portal
- Existing LSAs have been migrated to the new Portal in both MTE and PROD
- LSAs will be required to setup all users on the new Portal
- Updated LSA and Portal User Guides will be provided prior to external testing in MTE (Oct. 24 through Nov. 4)
- Transmission billing functionality expected to be in place by **late-November**
- COS Portal functionality will remain 100 percent operational in parallel to the Marketplace Portal through the end of the year
- EIS data remaining on the COS Portal will be archived at the end of the year

**Market Settlement Releases**

**Enhanced Combined Cycle (ECC) Project** – March 1, 2017
- Establishes rules for multi-configuration combined-cycle resources (MCRs) – MPRR101, 140, 112, and 161
- Appendix D of the MIPO addresses needed changes to shadow settlement systems for **MCR** and **Non-MCR** resources
- MP Testing required for all resource owning MPs who submit bids and offers; 11/28/16 – 2/1/17