EUB Alberta Energy and Utilities Board

"To ensure that the discovery, development, and delivery of Alberta's resources take place in a manner that is fair, responsible, and in the public interest."

Tariff Billing Standards Implementation

Steering Committee Presentation

Presented April 07, 2006

Meeting Objectives

- To discuss milestone 2 transition readiness
- To discuss milestone 2 go/no-go results and next steps
- To discuss the application of the TBC to the ISO

Transition Readiness Review

- **The purpose of the market-level readiness review is to judge market readiness to cut over to Code compliant systems and processes on the scheduled transition date.**
- **At each of four (4)† milestones leading up to the scheduled transition date, the EUB will facilitate a review of each market participant's transition readiness according to a common checklist.**
- **The review approach achieves:**
  - Acceptance of pre-transition activities.
  - Confirmation that pre-transition activities are completed.
  - A common level of progress is achieved by market participants prior to market transition.
  - Market participant accountability and sign-off on pre-transition activities and results.
- **The planned review milestones are:**
  - M1 = Conclusion of Distributor Stand Alone Testing (February 15, 2006; March 15, 2006 for Gas)
  - M2 = Conclusion of Retailer Stand Alone Testing (March 31, 2006; April 30, 2006 for Gas)
  - M3 = Conclusion of Market Operations Testing (May 31, 2006 for Gas/Electric)
  - M4 = Pre-Cutover (June 23, 2006 for Gas/Electric)

† M1 and M2 review milestones are offset for ATCO Gas and Direct Energy as the RRT gas retailer

Recap of Milestone 1 Results

- **Recall when we met on February 28, 2006, M1 readiness results highlighted test progress and pass rate gaps for various distributors.**

Criteria Item	Acceptable Target	AE	AG†	EDI	EPC	FA
Market test results – stand-alone phase	100% of sequences and applicable Test Case Sets, scheduled for execution before this milestone, have been reported as executed.	100%	N/A	100%	92.2%	100%
	100% of Severity Level 1 and 2 defects have been resolved and the affected test cases have been successfully re-tested ††	0%	N/A	100%	N/A	N/A
	100% of high priority test requirements have passed testing, as evidenced by the market participant's test results and review of these test results by the EUB.	87.9%	N/A	93.8%	80.4%	100%
Review checklist – internal testing	100% of checklist items report 'Yes' (i.e. no checklist items report Partial)	100%	N/A	100%	100%	100%

- **Affected distributors committed to re-test known defects and submit updated results at milestone 2.**

† M1 and M2 review milestones are offset for ATCO Gas and Direct Energy as the RRT gas retailer
†† Total registered severity level 1 & 2 defects: AE – 2; EDI – 1

Review Milestone 2 Results

- **Milestone 2 results reflect a combination of:**
  - Distributor progress since Milestone 1; and
  - Regulated service provider (RRT retailer) results as reported March 31, 2006.

Criteria Item	Acceptable Target	AE	AG	EDI	EPC	FA	EEI/ EEAI	DE (EL)	DE (NG)
Market test results – stand-alone phase	100% of sequences and applicable Test Case Sets, scheduled for execution before this milestone, have been reported as executed.	100%	100%	100%	100%	100%	100%	100%	N/A
	100% of Severity Level 1 and 2 defects have been resolved and the affected test cases have been successfully re-tested ††	100%	100%	100%	N/A	N/A	N/A	N/A	N/A
	100% of high priority test requirements have passed testing, as evidenced by the market participant's test results and review of these test results by the EUB.	100%	100%	100%	100%	100%	100%	100%	N/A
Review checklist – internal testing	100% of checklist items report 'Yes' (i.e. no checklist items report Partial)	100%	100%	100%	100%	100%	100%	100%	N/A

† M1 and M2 review milestones are offset for ATCO Gas and Direct Energy as the RRT gas retailer
†† Total registered severity level 1 & 2 defects: AE – 2; EDI – 1; AG – 5

Milestone 2 Assessment and Next Steps

- **Following the milestone 2 review, we reflect on the following:**
  - Various retailers had scheduled internal testing during or following market operations testing. The timing of internal test conclusion is not expected to impair market operations testing or the planned transition date.
  - Competitive retailers have performed testing based on published data sets for the following distributors:
    - FortisAlberta (February 01, 2006)
    - ATCO Electric (February 17, 2006)
    - EPCOR Distribution (February 22, 2006)
    - ENMAX Power (March 3, 2006)
  - We anticipate that a final review of ATCO Gas' retailer test data sets will result in publication by April 10, 2006
- **Late publication of ATCO Gas' retailer test data is a risk we continue to evaluate.**
- **The EUB has been asked by market participants to track a transition risk relating to DropChute file transfer protocol failure upon cutover to Code compliant processes.**
- **Market participants will be asked to submit risk mitigating strategies and contingency plans to prevent a discontinuity or disruption in tariff billing operations.**
- **Based on market participant progress to date, the EUB is satisfied that M2 results are sufficient to warrant entry into market operations testing.**

Application of the TBC to the ISO

- At a meeting held March 31, 2006 with ATCO Electric, FortisAlberta and the ISO, it became readily apparent that the billing information to be conveyed in the proposed structure of the transmission tariff file may provide questionable value to distribution wire owners.
- As a consequence, the EUB requested that the four distribution wire owners comment by April 5, 2006 on the feasibility of requiring the ISO to be compliant with the requirements of the Tariff Billing Code, specifically Appendix J.
- Comments submitted by the four distribution wire owners reflected on limited value in extending the Tariff Billing Code to the ISO and that existing processes were sufficient.
- Further, those distribution wire owners responsible for flowing ISO charges through to transmission connected sites felt established processes could be continued with limited to no incremental investment.
- Following the July 1, 2006 transition, the Tariff Billing Code will be republished as V1.4 with all ISO related requirements expunged.