

# *Texas Nodal Metric Definition Document*

## *DRAFT*

<i>Metric Number</i>	<b>CMM1</b>	<i>Revision Number</i>	Draft
<i>Metric Name</i>	Verify Credit Calculations	<i>Dependency</i>	MP8, CRR3, MMS8, CO1, CO7, CO9
<i>Due Date</i>	EDS-4 + 30 Days	<i>Requirement Source</i>	Transition Plan v 0.6
<i>Bus. Manager</i>	Cheryl Yager	<i>Transition Plan Reference Section:</i>	6.1 (I)
<i>Bus. Director /Owner</i>	Cheryl Yager	<i>System:</i>	CMM
<i>IRT Lead:</i>	Raj Chudgar	<i>Category:</i>	CMM
		<i>Market Trial:</i>	EDS-4
		<i>Protocol Reference:</i>	16

### *Metric Description*

Credit calculations and exposure tested successfully by taking the following steps:

- Verify CMM is interfaced with all appropriate systems
- Verify CMM is able to calculate credit score
- Verify CMM is able to record and track collaterals
- Verify CMM is able to track late payments
- Verify CMM receives all required input data from Settlements, CRR and MMS during the market trial to calculate Available Credit Limit
- Verify that calculation of credit matches requirements from Nodal Protocols
- Verify CMM is able send the Available Credit Limit to CRR, MMS and MIS

### *Background*

Calculation of Available Credit Limits for market participants are based on their credit exposure in the market and their financial security. As per the Nodal Protocols, the Available Credit Limit needs to be calculated and provided to CRR and MMS.

### *Metric Timeline*

As part of the EDS-4, the Available Credit Limit for market participants will be required to provide settlement inputs to CRR and MMS.

### *Verification Approach:*

The Readiness Advisor will review documentation that verifies that credit calculations, credit score, interfaces and tracking have been tested successfully prior to Texas Nodal Market Launch.

### *How Judgment will be met*

- Verify CMM is interfaced with all appropriate systems
- Verify CMM is able to calculate credit score
- Verify CMM is able to record and track collaterals
- Verify CMM is able to track late payments
- Verify CMM receives all required input data from Settlements, CRR and MMS during the market trial to calculate Available Credit Limit
- Verify that calculation of credit matches requirements from Nodal Protocols
- Verify CMM is able send the Available Credit Limit to CRR, MMS and MIS

The process by which each of the above criteria will be verified is yet to be determined. As the CMM reaches a more mature state of development, these methodologies will become clear.

### ***Sources of Evidence***

While all of the evidence required to verify the judgment criteria is yet to be determined, one source of evidence will be a document (possibly a screen shot ) the posting of the Available Credit Limit to the MIS.

### ***Metric Calculation Method***

The actual verification of credit calculation equations is to be determined. All seven of the judgment criteria must be met to satisfy the provisions of this metric.

Compiled On Tuesday, February 6, 2007 at 9:09:00 AM