



Risk Management
Commodities Trading
Physical Logistics
Regulatory Compliance

Settlement 8.0

Accurately manage the settlement process with a comprehensive set of tools designed to integrate all of your data into a single application

Back office information is complex and continually changing. Companies need an integrated solution to gain real-time visibility across their enterprise to quickly and accurately manage the settlement process. Finding a single system to capture all detailed physical and financial information from deal capture to settlement, flexible enough to manage your specific business needs and provide an accurate validation process to mitigate errors can be even more challenging.

Product Overview

Allegro Settlement 8.0 provides comprehensive financial tools to manage the entire settlement process from invoicing to journal entries. Physical, financial and other information associated with commodity transactions and logistical movements are validated to ensure completeness and accuracy of the settlement data, accruals for payables and receivables are posted, and the supporting margin settlement for broker traded activity is performed.

Settlement 8.0 supports multiple currencies and units of measure for the business processes surrounding natural gas, refined products, coal, crude oil, electric power and NGLs. Additionally, Settlement 8.0 is completely integrated with the balance of the Allegro platform. Most specifically, integration with components for Trading, Contracts, Logistics, Hedge and Net Valuation supports critical financial functions and processes.

Features	Benefits
Robust validation process of all required data including contract terms, pricing calculations and other counterparty details.	Assures the completeness and accuracy of settlement data required to perform the settlement function, and notifies users if any critical data is missing in order to mitigate costly errors
Ability to manage multiple currencies, units of measure and commodities	Built in flexibility allows the solution to easily accommodate all energy commodities including natural gas, refined products, coal, crude oil, electric power and NGLs.
Complete financial integration with the balance of the Allegro system	Streamlines the process of critical financial functions such as validating and confirming positions and transportation-related charges prior to accrual, booking the final accrual of ineffective hedge journal entries, and booking final physical inventory accrual journal entries. Full audit capability allowing for ease of tracking and managing disputes
Real-time financial updates	Utilizing the benefits of grid computing, if the system detects changes or additions to financial data elements used in the settlement process; it automatically invokes the appropriate settlement functions on the data ensuring real-time accuracy and visibility throughout the system.

Business Case

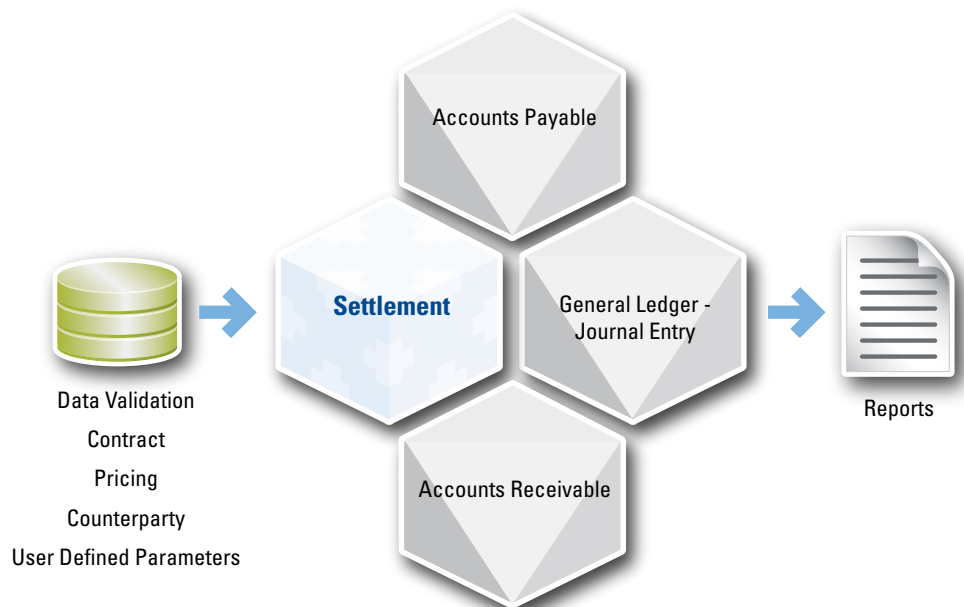
Settlement 8.0's powerful workflow takes users through the entire settlement process. Information first captured in trades and contracts are validated for completeness and accuracy of settlement data including contract terms, pricing calculations and other counterparty details. Once the system has checked all the data required to perform the settlement function, it notifies users if any critical data is missing, and shows how to correct problems.

From the notifications provided by the system, users can easily confirm settlement results or correct any discrepancies before entering any prior period adjustments for final creation of accruals, hedge ineffective accrual levels, and inventory or Mark to Market (MtM) accruals.

Upon validation and confirmation of the data, users can automatically create an accounts payable invoice and analyze open payables for any aging balances, along with the complete review of accounts payable and cash disbursement transactions. Similarly, users have the ability to analyze open receivables for aging balances, create cash receipts, and review cash receipt journal entries for a select date and counterparty.

Finally, the appropriate general ledger journal entries can be created, along with any required financial reports.

Process Flow



Allegro Settlement 8.0 provides comprehensive and transparent processes for accurate and timely settlement

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Allegro[®]

Allegro is a global leader in commodity trading and risk management solutions for power and gas utilities, refiners, producers, commodity traders, and commodity consumers. With more than 26 years of deep industry expertise, our enterprise platform drives profitability and efficiency across front, middle, and back offices, while managing the complex logistics associated with physical commodities. Allegro provides customers with agile solutions to manage risk across gas, power, coal, crude, petroleum, agricultural, emissions, and other commodity markets, allowing decision makers to hedge and execute with confidence. Allegro has recently been recognized as the Energy Risk Software House of the Year and received The Energy Business Awards Gold Award for Excellence. Headquartered in Dallas, Texas, Allegro has offices in Calgary, Houston, London, Singapore and Zurich, along with a global network of partners.