# Understanding settlements

**Settlements** in nGenue streamline the financial reconciliation process by automating the validation, calculation, and adjustment of financial transactions related to gas supply, transportation, storage, and distribution. The settlements module ensures accuracy in revenue recognition, cost allocation, and invoicing, reducing manual efforts and mitigating financial risks.

## Key features of the settlements module

### 1. Automated financial reconciliation

nGenue automates settlement calculations, reconciling actual gas volumes, market prices, contractual obligations, and pipeline/LDC charges. This reduces manual errors and enhances financial transparency.

### 2. Cost allocation and revenue distribution

The system accurately allocates costs across contracts, customers, and services based on predefined rules, ensuring that revenue and expenses are appropriately distributed.

### 3. Contractual obligation management

nGenue ensures that financial settlements adhere to contractual terms, including capacity charges, imbalance fees, and penalty adjustments, minimizing disputes with counterparties.

### 4. Imbalance and cash-out settlements

* Tracks imbalances between nominated, scheduled, and actual delivered volumes.
* Calculates cash-out charges based on LDC or pipeline rules.
* Generates adjustment invoices to settle discrepancies.

### 5. Invoice and payment reconciliation

nGenue enables seamless integration with billing systems, ensuring that invoices accurately reflect settlements. It also tracks payments, outstanding balances, and discrepancies for efficient financial oversight.

### 6. Regulatory and compliance reporting

* Generates settlement reports aligned with FERC, NAESB, and LDC-specific requirements.
* Maintains an audit trail of all settlement transactions for compliance and internal review.

### 7. Seamless integration with financial systems

nGenue integrates with third-party accounting and ERP systems to facilitate financial data exchange, ensuring alignment between operational and financial records.

## Benefits of nGenue’s settlements

✔ **Accuracy and efficiency:** Reduces manual intervention, improving financial accuracy and operational efficiency.  
✔ **Transparency and auditability:** Provides a clear record of settlement transactions for internal and regulatory audits.  
✔ **Reduced financial risk:** Helps minimize revenue leakage, penalties, and disputes.  
✔ **Real-time visibility:** Offers insights into financial performance through dashboards and reports.

With its automated workflows, compliance tracking, and integration capabilities, nGenue’s settlements module simplifies financial reconciliation, ensuring that all gas-related transactions are processed accurately and efficiently.