

Representation - Draft Modification Report UNC 0681S

Improvements to the quality of the Conversion Factor values held on the Supply Point Register

Responses invited by: 5pm on 11 July 2019

To: enquiries@gasgovernance.co.uk

Please note submission of your representation confirms your consent for publication/circulation.

Representative:	Keith Watson
Organisation:	EDF Energy
Date of Representation:	11/07/2019
Support or oppose implementation?	Oppose
Relevant Objective:	<p>d) None</p> <p>f) None</p>

Reason for support/opposition: Please summarise (in one paragraph) the key reason(s)

While we support improving the quality of the Conversion Factor values held on the Supply Point Register, we do not support a process that allows the Central Data Service Provider (CDSP) to unilaterally update a Conversion Factor after any period of time and therefore we oppose implementation of this modification.

Recent issues with Annual Quantity (AQ) calculations at CDSP has given rise to inaccurate AQ values, that in some instances inaccurately indicate an AQ in excess of 732,000 kWh. On 03/07/2019 CDSP identified approximately 177,000 supply points across the industry where AQ values had been incorrectly calculated due to issues with CDSP processes. Until issues relating to the calculation of AQ values have been resolved by CDSP and a sustained period of stability is achieved, reliance on AQ values to drive an automated change to Conversion Factor values held on the Supply Point Register by CDSP presents a significant risk to the quality of this data.

Inaccurate AQ values in excess of 732,000 kWh leading to an update to the Conversion Factor held on the Supply Point Register could require more than 30 Supply Point System Business Days to be identified and corrected. Should this be the case it is likely the Supply Point Register will be updated with incorrect Conversion Factors that will require a fix to restore the standard Conversion Factors retrospectively.

Under the existing modification proposal the CDSP will not undertake an assessment of a new non-standard Conversion Factor in the event an AQ value exceeds 732,000 kWh, and no previous site specific Conversion Factor is held on the Supply Point Register. This significantly limits the ability of this modification to achieve its intended purpose of improving the quality of the Conversion Factor values held on the Supply Point Register.

We recommend the procurement of a new central process for calculating and maintaining site specific Conversion Factors held on the Supply Point Register.

Existing industry processes for obtaining site specific Conversion Factors are unclear and do not allow for any process automation. Due to this and the lack of site specific Conversion Factor assessments where no previous value is held on file under this proposal, a central service could provide both clarity and automated processes for the benefit of the industry and the data held on the Supply Point Register.

Rather than updates to Conversion Factors being processed on behalf of shippers by the CDSP, an escalation and penalty process should be implemented to discourage parties from taking no action to update Conversion Factors in the knowledge CDSP will undertake this task on their behalf, should they fail to act. This could be delivered by utilising the Shipper Performance Packs and introducing a financial penalty for failures to update this data after a period of time has lapsed following notification. This could provide an appropriate incentive for Shippers to both improve and maintain the quality of Conversion Factors held on the Supply Point Register.

With the appropriate Shipper incentives, a new central service facilitating requests and responses via Application Program Interfaces (APIs) the process could be:

1. The AQ Rolling / Correction process triggers a notification to Shippers where the site AQ increases or decreases against the threshold of 732,000 kWh and the installed meter does not have a reflective Conversion Factor.
2. Upon notification the Shipper reviews the calculation of the AQ and submits an AQ correction in the event the AQ calculation is deemed to be inaccurate.
3. If the new AQ is 732,000 kWh or less the Supplier requests the Meter Asset Manager (MAM) to set the standard Conversion Factor and to provide an ONUPD file to reflect the update. If the new AQ is greater than 732,000 kWh then the Supplier requests the MAM to contact CDSP to obtain a site specific Conversion Factor and to provide an ONUPD file with the new Conversion Factor to the Supplier. The Supplier then sends confirmation to the CDSP via the Shipper.
4. On acceptance the CDSP updates the Supply Point Register and estimates meter readings for AQ threshold change date and provides these to the Shipper.
5. If an update to the Conversion Factor or an AQ correction is not processed after 50 working days, a 10 working day penalty charge notice is issued to the Shipper. Should no progress be made after 60 working days (50 working days and 10 working days of penalty charge notice) a daily penalty charge is imposed upon the Shipper until the update is processed, subject to an appeal process.

Without a new central service to provide clear and automated processes, together with the appropriate incentives for Shippers to act, it is unlikely a significant and lasting improvement to the quality of the Conversion Factor values held on the Supply Point Register will be realised.

Self-Governance Statement: *Please provide your views on the self-governance statement.*

We support the Modification Panel determination that this is suitable for self-governance procedures.

Implementation: *What lead-time do you wish to see prior to implementation and why?*

We cannot support the implementation of this as we do not believe it or the related DSC Change Proposal covers full end to end processes or will give rise to improvements in this area. If such a solution is resolved by November 2019 then we feel a June 2020 release would be practical but that would rely on procuring a central service for calculating conversion factors detailed above. We feel this could be done by Xoserve on behalf of industry and run in parallel with work required by parties to be ready for June 2020.

Impacts and Costs: *What analysis, development and ongoing costs would you face?*

No immediate implementation costs are identified as a result of this proposal, however the potential requirement to retrospectively correct Conversion Factors as a result of inaccurate AQ calculations would present both an impact and cost associated to this process.

Legal Text: *Are you satisfied that the legal text will deliver the intent of the Solution?*

N/A

Are there any errors or omissions in this Modification Report that you think should be taken into account? *Include details of any impacts/costs to your organisation that are directly related to this.*

N/A

Please provide below any additional analysis or information to support your representation

N/A