

Open Letter to Project Nexus Workgroup

Two points were raised during the last meeting on the 6th November which I consider may need more review and discussion, before decision making.

AQ's

From the last meeting it became clearer this is neither a particular issue for Transporters nor it would appear Shippers either, however it is something which customers feel is really important. Many charges are levied by Suppliers against the prevailing meter point AQ and a number of these charges levied on this basis are disputed by customers. As a defence Suppliers criticise Xoserve for the AQ they are required to use, when the solution is in the Suppliers / Shippers hands. Despite best efforts, customers and their representatives spend large amounts of time trying to unlock the impasse between Supplier and the recorded information, often to no avail, this is not productive. Indeed, because of the low level of openness in the industry, driven possibly by commercial sensitivity, it is not known why those who never try to correct data do not seek support to overcome the barriers.

As with many data items the consequential cost of incorrect or poor data is not measured. The resistance comes when improvements are suggested and that is when cost is identified as a reason to resist improvement. Time and effort is expended each year by many, through the AQ review process, in an attempt to better reflect Annual Quantities for each MPRN. Despite this effort there is always an element which are not as good as they could be.

The wish of customers is that the industry do try and improve the position year on year and it is only the frequency of meter reads which reach Xoserve that prevent many AQ's being closer to the actual than they are. I know not why after so many years of parties being encouraged by Ofgem, Xoserve and customers, through industry meetings to improve AQ's, that things are as they are.

Whatever happens in regard to rolling AQ and the undoubted benefit which will fall from that, Customers would say to all other parties, please take every opportunity to keep AQ an important facet of the process during the transition and do not relax effort on the basis that Nexus and Smart will be the answer, whatever the question.

If shippers and suppliers consider achieving improved AQ's is a difficulty then some method of streamlining the process in the interim should be considered. If data quality is the issue then customers applaud the initiative by Xoserve in taking the lead to improve it and to name and shame those who do not deliver.

Meter Read Frequency.

The above brings me to address this issue and one can immediately see the link to AQ's. I think it was Chris Warner at the meeting who mentioned resolution not yet having being made as to the required frequency for correct meter reads being delivered into Xoserve systems. The issues with inappropriate AQ's is mainly because of the lack of delivery or infrequency of meter reads being sent to Xoserve from Suppliers through Shipper systems.

If two of the purposes being pursued are, one, to ensure more efficient and effective energy purchase / balance by Shippers and, two, to ensure customers receive invoices for expensive energy which better reflect usage then the following proposals could be a starter for further discussion:-

A reasonable frequency for the readings from meters which currently fall into the domestic dumb meter category would be six monthly. For domestic Smart then fortnightly would be appropriate. For SME dumb meters, Monthly. For Smart SME, weekly. Should there be any dumb I&C meters then Monthly readings, otherwise for I&C Smart, daily.

These read proposals can cut across the four categories / products being proposed for Nexus as the frequency of reads sent to Xoserve do not have to be linked to those products necessarily.

Improvement in read frequency reduces significantly the time taken to identify poor data, either following meter exchange or poor read taking and therefore helps reduce disputed invoices so reducing administration cost. Not to mention more accurate allocation processes.

The industry needs to move to a position where invoicing for energy, as closely as practicable to that which is used, becomes the norm. No longer, with prices which will rise for the foreseeable future, will it be acceptable to back bill, over or under charge. The new age of meter technology will only benefit the country and its consumers if the industry now begin again to realise the cash register of the industry is the meter and its data, and place the importance where it should be. It is from there that we all get paid and it is from there that initiatives such as Nexus and Smart will be funded.

Until all dumb meters are replaced, Shippers / Suppliers might like to consider an innovative product called 'customer self-billing'. Where the customer takes their own reading, calculates the invoice from a charging table provided by the Supplier and the customer then makes a payment. This would only work between trusted parties on both sides but could produce a loyalty and relationship improvement, which would be reflected in the raising of openness and honesty. The readings would be required to go forward to Xoserve and become the basis for the AQ calculation.

Regards
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Customer Rep.