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Mod 0451AV Draft PPM Profile

DESC 25th June 2014

Background on MOD 0451AV

- MOD 451AV was approved by Ofgem to facilitate effective competition by improving cost energy allocations, which would be more reflective of the gas consumed by prepayment customers.
- This followed evidence from Shippers suggesting that the profile for prepayment customers is flatter than that of a standard domestic credit meter (EUC1) customer.
- This shows that typically during the winter period there is an over allocation of gas usage and in the summer period an under allocation of gas usage.
- The impact of this gives a disparity in the allocation of costs compared to the billed consumption resulting in a financial impact on shippers with above average proportions of prepayment customers in their portfolio.
- Effective implementation date is 1 February 2014
- Xoserve is still designing and developing a system solution for calculation of credits/charges

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Nature of the analysis

- Daily consumption data has been provided by one shipper for one LDZ for 3 gas years.
- We are advised that all meter points in this data set are fitted with smart meters which are operating in pre payment mode.
- Data provided is anonymous and Xoserve are unable to check the status or ownership of the meter points.
- The data was validated and analysed before creating a pre payment profile.

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Analysis of data

- Gas year 2010/11 – 2012/13 data
- LDZ SO
- The data was subjected to the same analysis process as the data from the Xoserve NDM sample which is used to determine the NDM algorithms each year.
- After applying validation to the dataset provided – the following number of sites were eligible to be used in the analysis:
 - 2010/11 407 sites
 - 2011/12 326 sites
 - 2012/13 208 sites

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Calculation of draft Profile

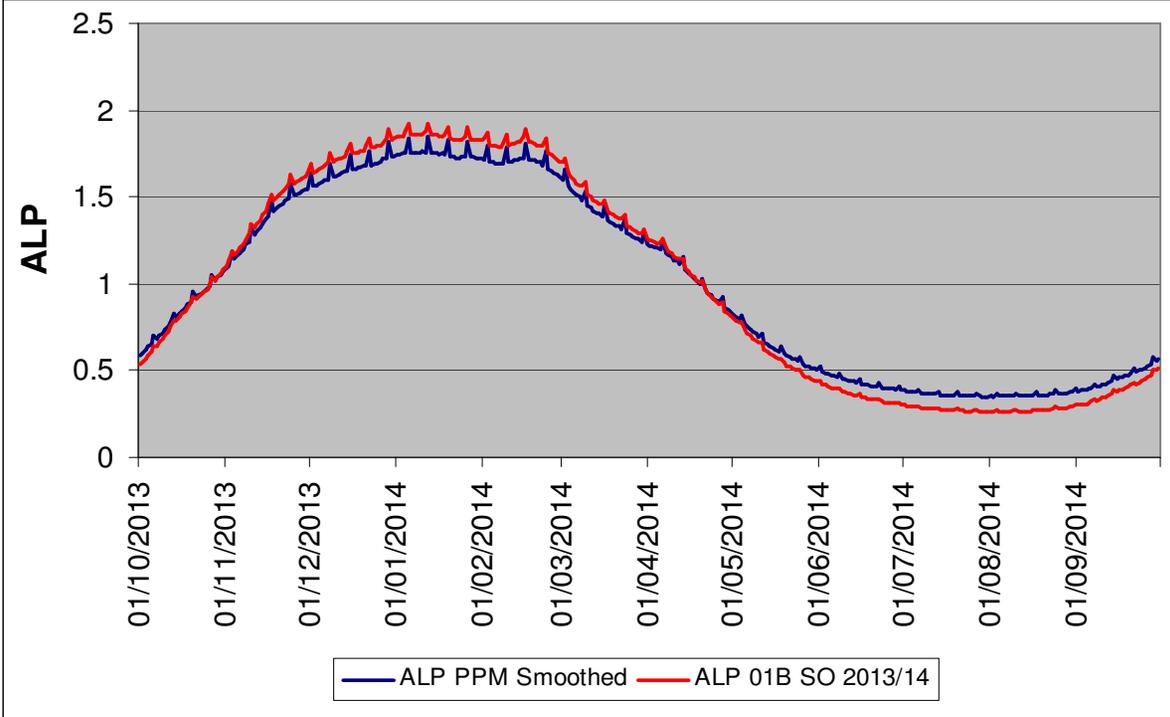
- The data was analysed to calculate a relationship to the relevant weather for each year
- The regression parameters were averaged to provide a smoothed model – in line with the normal modelling processes.
- This was then used to determine a PPM ALP for 2013/14 under seasonal normal conditions, which could be compared to the EUC1 ALP 2013/14 for SO, to identify the differences in patterns.

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Results of Analysis



Below is a table displaying the ALP values at both the peak and trough points:

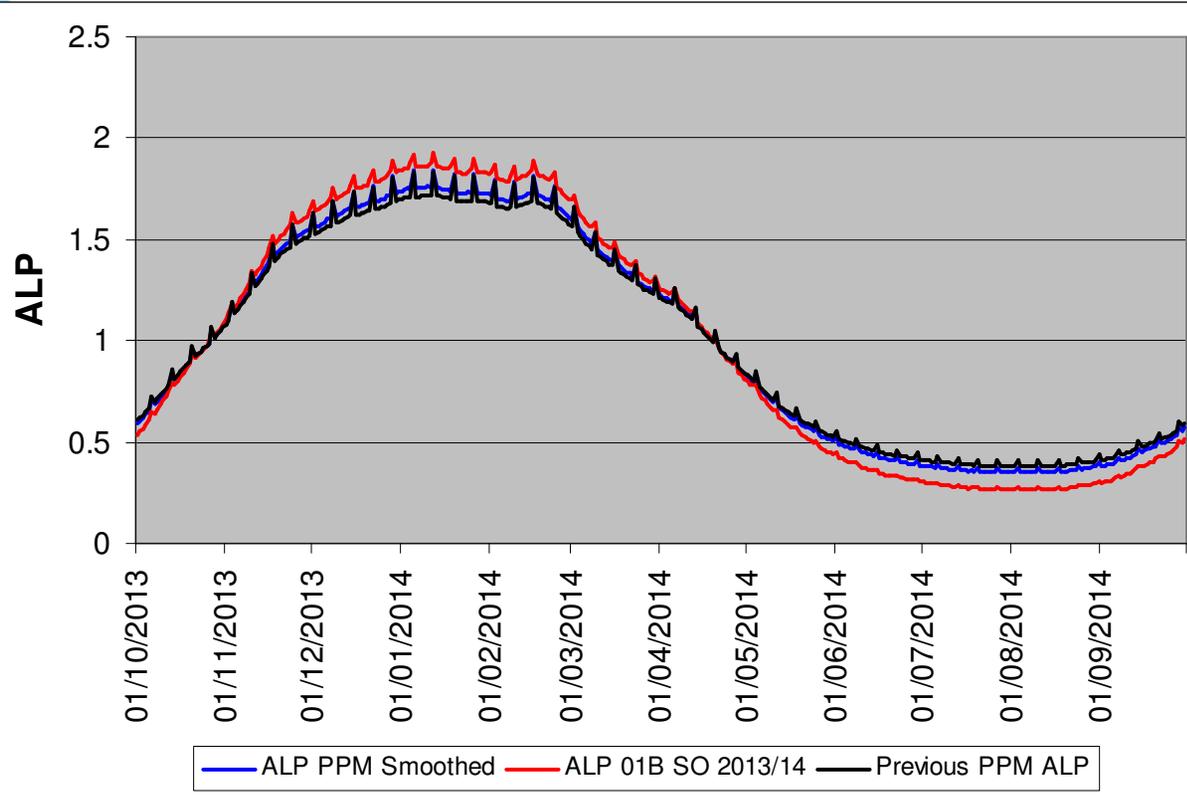
	05/01/2014	30/07/2014
ALP PPM Smoothed	1.8412529	0.350790218
ALP 01B	1.921796	0.263989
Difference	-4%	33%

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Comparison to previous indicative profile



This graph shows the current smoothed PPM ALP against the previous PPM ALP calculated during MOD451 discussions.

The table below summarises the percentage differences at both the peak at trough points of both profiles:

	05/01/2014	30/07/2014
ALP PPM Smoothed	1.8412529	0.350790218
Previous PPM ALP	1.8298627	0.380638406
Difference	1%	-8%

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Further work

- Periodic Pre-payment meter data has been received from British Gas – we are currently in the process of validating and analysing this data (it is not daily data)
- E.on have also said they will be providing us with periodic pre-payment meter data.
- This data will be used to compare to the draft pre payment profile – but can't create a profile without daily read data
- Xoserve will report the findings back to DESC – including recommendations for creating profiles for other LDZs

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