

Retrospective Adjustment (Modification 0434) Deferral Arrangements

Introduction

Following the notice issued by Xoserve in relation to the deferral of the meter asset and supply meter point updates aspects of Retrospective Adjustments functionality, Xoserve has been requested to provide an understanding of the processes to be followed until the full Retrospective Adjustments functionality is implemented.

Background to Retrospective Adjustments

Modification 0434 - Project Nexus Retrospective Adjustments, sets out the requirement to apply retrospective adjustments to asset data, supply point data and replacement of meter readings after the read submission window.

Retrospective adjustment deferral applies only to asset and supply point updates. The replacement of meter reads remains within the core delivery.

The User Supressed Reconciliation (USRV) process is removed as a result of modification 0432. Modification 0432 introduces the new read validation tolerances. The reads associated with asset updates will be subject to the new read validation tolerances. Where a read fails the validation tolerance the asset update will be rejected.

The following processes are the interim arrangements that will apply to both Larger Supply Points (LSP) and Smaller Supply Points (SSP) sites, until the full implementation of the retrospective adjustments. Please note for SSP's financial adjustments will be applied from 1st October 2015.

Asset updates (install, exchange, removal, updates to billing related data items) and supply meter point updates

The deferral of the meter asset and supply meter point update Retrospective Adjustment functionality will mean that the existing validations will apply and Shippers will need to prepare data for submission that will pass these validations. For example, an existing validation rule is that a meter asset update will not be accepted if the date of the asset update pre-dates an existing activity e.g. Shipper provided reading, held on UK Link.

In the event that the Shipper considers energy needs to be amended then the consumption adjustment process via CMS can be utilised.

The Shipper will need to submit a consumption adjustment for the entire period between the asset event (physical works carried out on the asset) and the update date to ensure the energy is correct for that period, as this will be required for the calculation of AQs. The financial adjustment (where required) will only be processed for the incumbent Shipper as per modification 0434 principles.

To understand the volume of updates the following RGMA rejection statistics have been extrapolated for the month of February 2015. The figures relate specifically to an asset update that was rejected as an activity i.e. read already exists.



- Total ONJOB rejections where there has been a later activity recorded = 1,327 (10.6%)
- Total ONUPD rejections where there has been a later activity recorded = 2,869 (28.8%)

As requested at the Project Nexus UNC Workgroup (PNUNC) these scenarios will be presented at the 7th April Workgroup meeting. Material for the meeting will be published on the Joint Office website in advance.