Retrospective Adjustment (Modification 0434) Deferral Arrangements

1.   Background

Modification 0434 - Project Nexus Retrospective Adjustments, sets out the requirement to apply retrospective updates 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 and replacement of reads associated with the asset update. The replacement of meter reads remains within the core delivery.

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 functionality.

2.   Scope

The following processes will be deferred and the interim arrangements described in this document will apply;

- Asset (meter & convertor) updates as part of the retrospective updates file
    - o Installation
    - o Exchange
    - o Remove
    - o Amendment to billing related asset data e.g. metric/imperial
    - o Asset read replacement
    - o Status update (Capped/Clamped/Re-instated)
- Supply Meter Point update
    - o Correction Factor
- Automatic financial Adjustments
    - o Following an asset or Supply Meter Point update

The interim arrangements described in this document will apply to all Classes of Supply Meter Points, including iGT meter points, with the following exceptions;

- For Class 1 Supply Meter Points the DMSP will submit the consumption adjustment
- For Supply Meter Points with 'Special Metering Arrangements' (GT owns and maintains the metering equipment), the GT will submit the asset updates
- For Class 1 and 2 Supply Meter Points, if the consumption adjustment is submitted for gas days within GFD+5, the adjustment is submitted via the Portal. After GFD+5, the adjustment is submitted via CMS.

3.   Asset updates 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 (via Meter Information Notification (JOB) and Meter Information Update Notification (UPD)) that will pass the validations described in this document.

An asset or Supply Meter Point update will only be accepted for an effective date after the last meter read or activity recorded on UKLink. The activities which all involve a read being recorded for the effective date include:

- Transfer of ownership, transfer read recorded
- Class change, read recorded on Class change date
- Meter reading, cyclic read, estimated daily read (Class 1 & 2) Must Read, Check Read
- Asset update, asset read recorded

Modification 0432 introduces the new read validation tolerances. The reads associated with asset update, with the exception of the installation read, will be subject to the new read validation tolerances. Where a read fails the Outer Tolerance (Market Breaker) test the asset update will be rejected.

Following acceptance of the update the Shipper will need to submit a consumption adjustment for the entire period between a read closest to 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 to correct the energy for the period and for the calculation of AQs. The financial adjustment (where required) will only be processed for the incumbent Shipper as per modification 0434 principles. Any previous Shippers affected by the update will be required to separately request the financial adjustment.

For Smaller Supply Points any financial adjustment will only be applied from Project Nexus Implementation Date.

The exception to this is where a meter is installed prior to the Confirmation effective date, the transportation charges will be issued automatically for the period prior to registration, including if this is before Project Nexus Implementation Date.

4.   **Asset Status Update (Clamped/Capped/Re-establishment)**

- The request must be submitted via the relevant UKLink flow (JOB/UPD) by the Registered Shipper
- The update must be submitted for an effective date after the last read recorded on UKLink
- If an effective date is not provided in the request (if submitted on the UPD file), the processing date is used as the effective date of the update
- For asset status of clamped/capped, the read provided must be equal to or greater than the last read recorded on UKLink
    - o   If the status update read is not provided (UPD), an estimated read will be created
- For asset status of re-established, the read provided must be equal to the clamped/capped read recorded on UKLink
    - o   If the status update read is not provided (UPD), an estimated read will be created

5.   **Asset Update (removal, exchange, installation)**

- The request must be submitted via the relevant UKLink flow (JOB/UPD) by the Registered Shipper
- The update must be submitted for an effective date after the last read recorded on UKLink
- For asset removal, if an effective date is not provided in the request (if submitted on the UPD file), the processing date is used as the effective date of the update
- For asset removals (including meter removed as part of an exchange), a removal read must be equal to or greater than the last read recorded on UKLink
    - If the removal read is not provided (UPD), an estimated read will be created
- For asset exchanges, the installation read must be estimated to reflect the consumption for the effective date of the update

6.   Meter Installation for a' greenfield' / 'brownfield' site

- The request must be submitted via the relevant UKLink flow (JOB/UPD)
- Where the meter installation pre-dates the Confirmation effective date, Capacity charges will be applied & invoiced from the installation date to Confirmation effective date and energy charges calculated following receipt of a read.

7.   Asset Attribute Updates (billable attributes)

- The request must be submitted via the relevant UKLink flow (JOB/UPD) by the Registered Shipper
- For billable attribute updates to an asset recorded on UKLink:
    - The update must be submitted with an effective date after the last read recorded on UKLink
    - If an effective date is not provided in the request (if submitted on the UPD file), the processing date is used as the effective date of the update
- Note: For non-billing attribute updates to an asset recorded on UKLink, the update will be applied from the date the request is processed.

8.   Replacement of the Asset Read

- Where the asset removal or installation read recorded is found to be incorrect, a consumption adjustment must be submitted to correct the consumption for the period

    Note: Issue identified that subsequent reads may not be accepted if the installation read is incorrect, even where a consumption adjustment is submitted for the period.

9.   Supply Meter Point Updates (Correction Factor)

- If an update to the Correction Factor is submitted via the JOB file, the update will be applied from the latest asset installation date. The update will be rejected if reads exist post the meter installation. If reads exist the update must be submitted via the UPD file.
- If an update to the Correction Factor is submitted via the UPD file, the update will be applied from the effective date where provided or, if a date is not provided, the acceptance of the update request

10.   Consumption Adjustment

- A consumption adjustment must be submitted via CMS (Code RFA) and will only be accepted if the update has been actioned on UKLink
- A consumption adjustment must be submitted for a read nearest to the asset event (physical works carried out on the asset) and the update date to ensure the energy is correct for that period
- The period of the consumption adjustment should be for the total period. The financial adjustment will be issued for the period of the Registered Shippers ownership only
- The previous Shipper must separately request for the financial adjustment for their period of ownership to be released (this will be available via the Portal)
- The consumption adjustment start and end date must align to reads held on UKLink
- The consumption adjustment must equal the total corrected volume for the period and will replace the prevailing consumption held
- The consumption adjustment will be subject to the Outer Tolerance (Market Breaker) read validation checks
- The energy will be calculated from the consumption and allocated across the period using the same profile as the original allocation
    - Class 1 and 2: based on the daily energy allocation
    - Class 3 and 4: based on demand estimation methodology for the meter point

11. Financial Adjustment

- The adjusted consumption for the period is used to calculate revised energy
- An adjustment will be processed for the requested period and issued on the next available Amendment invoice
- For Larger Supply Points the financial adjustment will be for the whole period requested
- For Smaller Supply Points any financial adjustment will only be applied from Project Nexus Implementation Date

12. Effects of a Consumption Adjustment

- AQ process will consider the updated consumption for future AQ calculations
    - Where the consumption adjustment includes meter read periods prior to Project Nexus Implementation Date, the AQ will be validated against the AQ tolerance checks (UNC Supplementary document: Nexus Transitional AQ Validation Rules)
- Following the update and a consumption adjustment, submission of a subsequent read will be validated against the previous valid read: asset update read

13. Sequence of Events

- Submit the update via the relevant file
- Following acceptance of the request, submit the consumption adjustment for the period prior to the update
    - The consumption adjustment will be rejected if the update has not been recorded
- For Class 3 & 4, submit a read in order for Reconciliation to be performed from the update.

- For Class 1 and 2, the daily read will calculate 'better estimates' back to the update for allocation processes
- At Month end + 10 calendar days, the latest ('Closed Out' for Class 1 and 2) valid read will trigger a reconciliation and will use the latest updated (if applicable) energy for AQ calculation, if within the AQ calculation period.