



UNC 0451AV

Individual Settlements For Pre- Payment & Smart Meters - Background

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Mod 0451AV Background

- Modification 0451 raised March '13 by Utilita
 - Seeks to address difference in usage profile between credit and prepayment meter customers – evidence of winter over-allocation/ summer under-allocation
 - Introduces an “Individual SSP Reconciliation” for live MPRs with Prepayment Meters/Smart meters in Prepayment mode
 - *Further detail in following slides*
- Modification 0451A raised July '13 by E.On
 - As for Mod 0451 but no retrospective element
- 0451AV implemented with effect from 01/02/2014

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Background – Why Individual Retrospective Reconciliations?

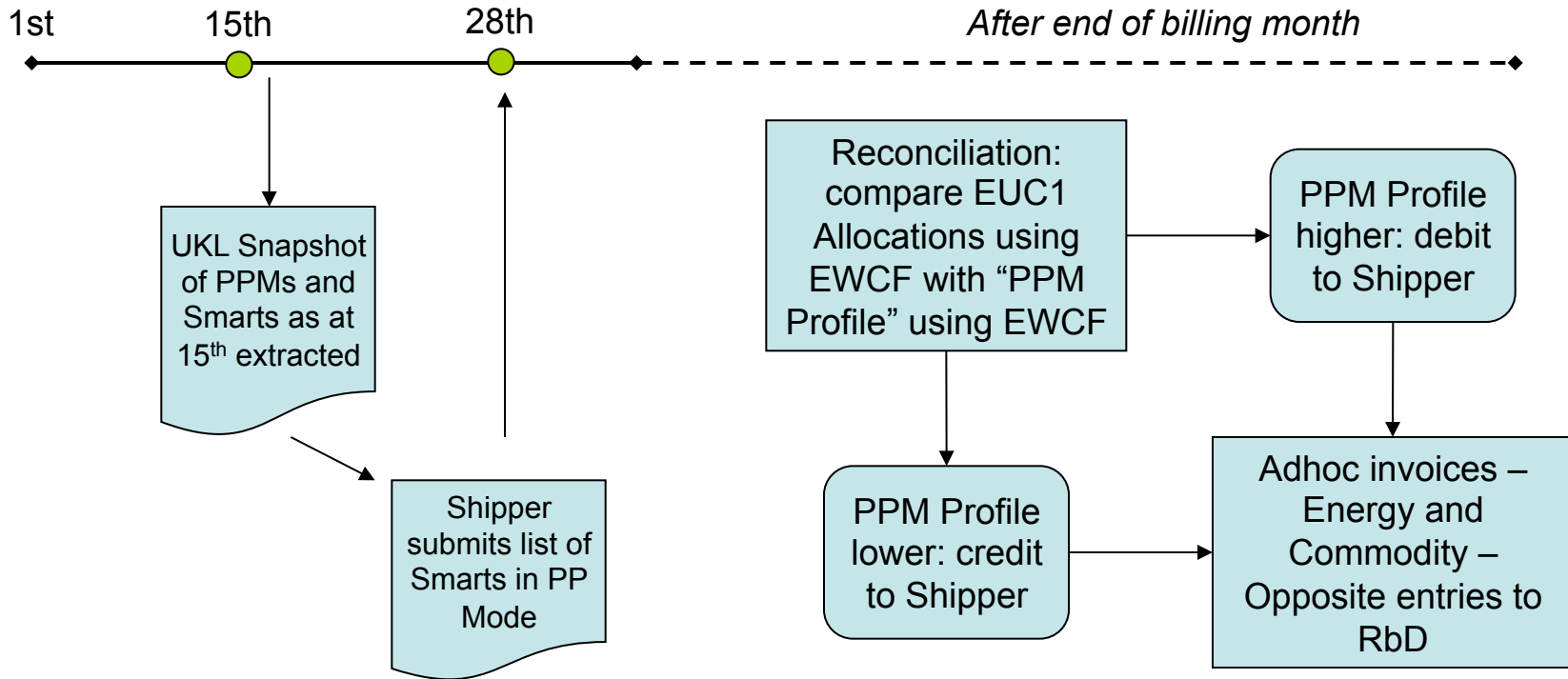
- Separate live profile for Prepayments/Smarts for daily NDM Gas Noms/Allocations not currently possible – 3 reasons:
 - Practical – not possible to fit AMR equipment to PPMs/Smarts – no pulse output ports
 - Structural – UKLink can only assign EUCs based on AQ, LDZ and Winter:Annual Consumption Ratio
 - Principal – RbD relies on concept that all EUC1 MPRs have been treated equally during initial allocation
- Project Nexus brings individual meter point reconciliation and possibility of different profiles:
 - Practical data gathering issue remains for PPM/Smart

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Mod 0451AV - Timelines



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Background – Calculation of Current Proposed “Prepayment Profile”

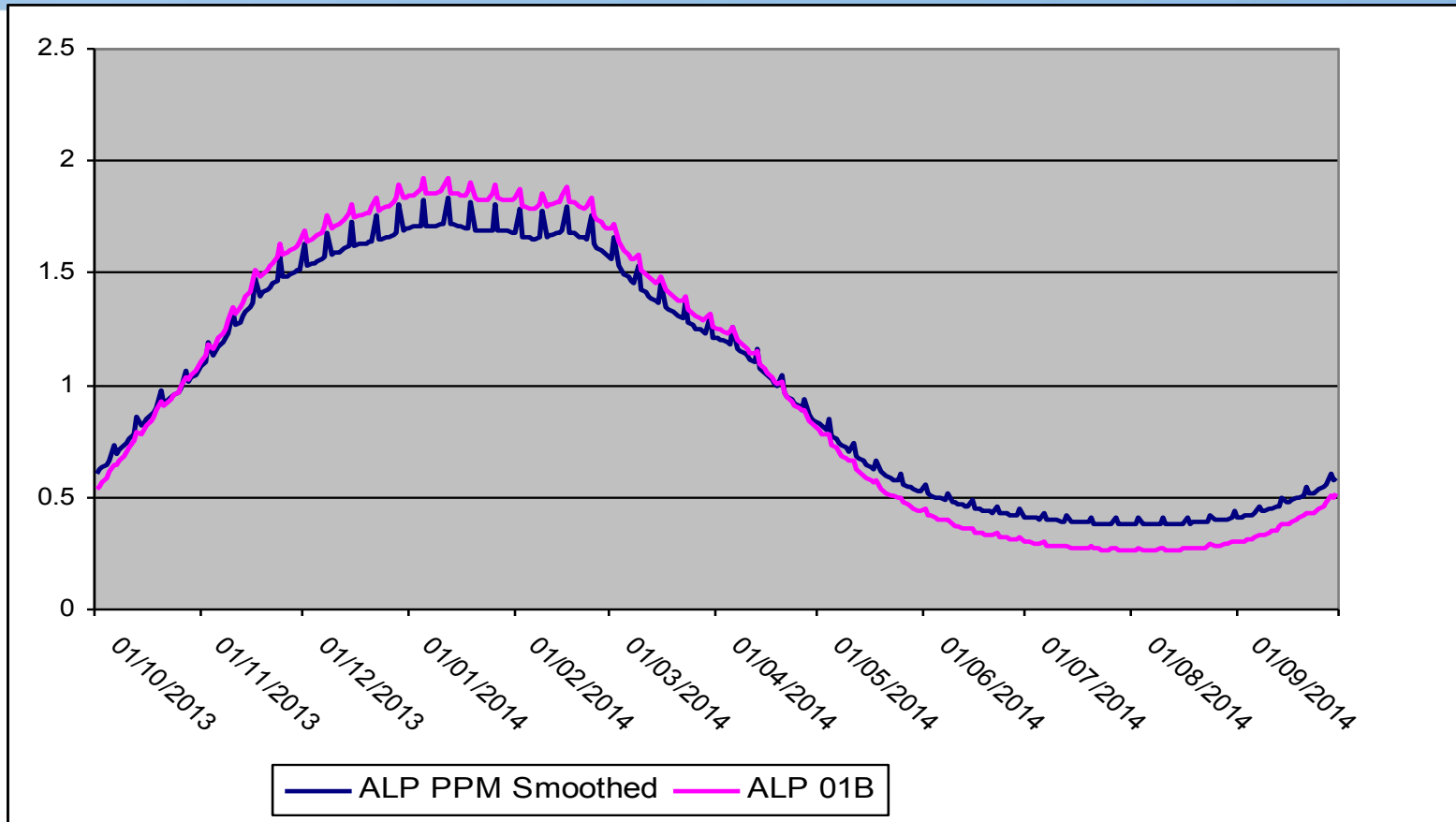
- Data used:
 - Actual daily consumption data for anonymised sample of Smart customers in Prepayment (PP) mode in SO LDZ provided by Utilita
 - c. 3.5 yrs data to Jan '13 where available
 - Count of validated data points
 - 2009/10 – 71
 - 2010/11 – 415
 - 2011/12 – 332
 - Smoothed model created using same principles as Spring Modelling
 - Originally created for illustrative purposes only

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Comparison of 2013/14 PP and EUC1 Profiles



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Options for creation of remaining PPM Profiles

- Proposed profile developed for SO LDZ
- In absence of additional LDZ data:
 - apply SO weather/demand relationships to all other LDZ SNCWVs
- Updated data available for SO LDZ?
 - update profile for another Gas Yr data
- 3 years data available for other LDZ(s)?
 - Apply validation and create profiles – if sufficient data obtained
 - Apply relationships to remaining LDZ SN CWVs if required (i.e. some LDZs with no/insufficient data)
 - Select most appropriate LDZs to use as model (e.g. NW for WN)

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Alternative Options/Approaches

- 0451AV to be added to next Panel Agenda – standard practice following approval of an urgent Mod
- Ofgem decision letter suggests Panel may ask DESC “to consider the profile to be applied to PPM sites for at least the 2014/5 Gas Year”
- Any alternative approaches to the profile or to the wider issue?
 - E.g. determine a standard amount per meter before/after billing month

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