Mod 0451AV Draft PPM Profile

DESC 30th July 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

XOserve

respect 〉 commitment 〉 teamwork

Nature of the analysis

- Periodic prepayment consumption data has been provided by British Gas for LDZ SO for 3 gas years.

- We are advised that all meter points in this data set are operating in prepayment mode.

- The data was cleansed, validated and interpolated to daily data before creating a prepayment profile, which could be used in comparison to the proposed prepayment profile.

Analysis of data

- Gas year 2012/13 data was used for the analysis

- 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 – 5347 sites were eligible to be used in the analysis

Data Cleansing and Validation Steps

- A filter was applied to the data so only LDZ SO data was used
- A filter was applied so any duplicate records were removed (where the MPRN, consumption date and consumption values were the same)
- Data that had a start and end date that was not in the relevant gas year were removed
- Any MPRNs that had duplicate consumption dates with different consumption values were removed from the analysis
- All CSEP sites were removed
- Consumption was converted from cubic meters to kwh with a correction factor applied to it. The energy value was rounded to the nearest whole number
- The prepayment profile WAALP was used to divide the consumption into a daily consumption value
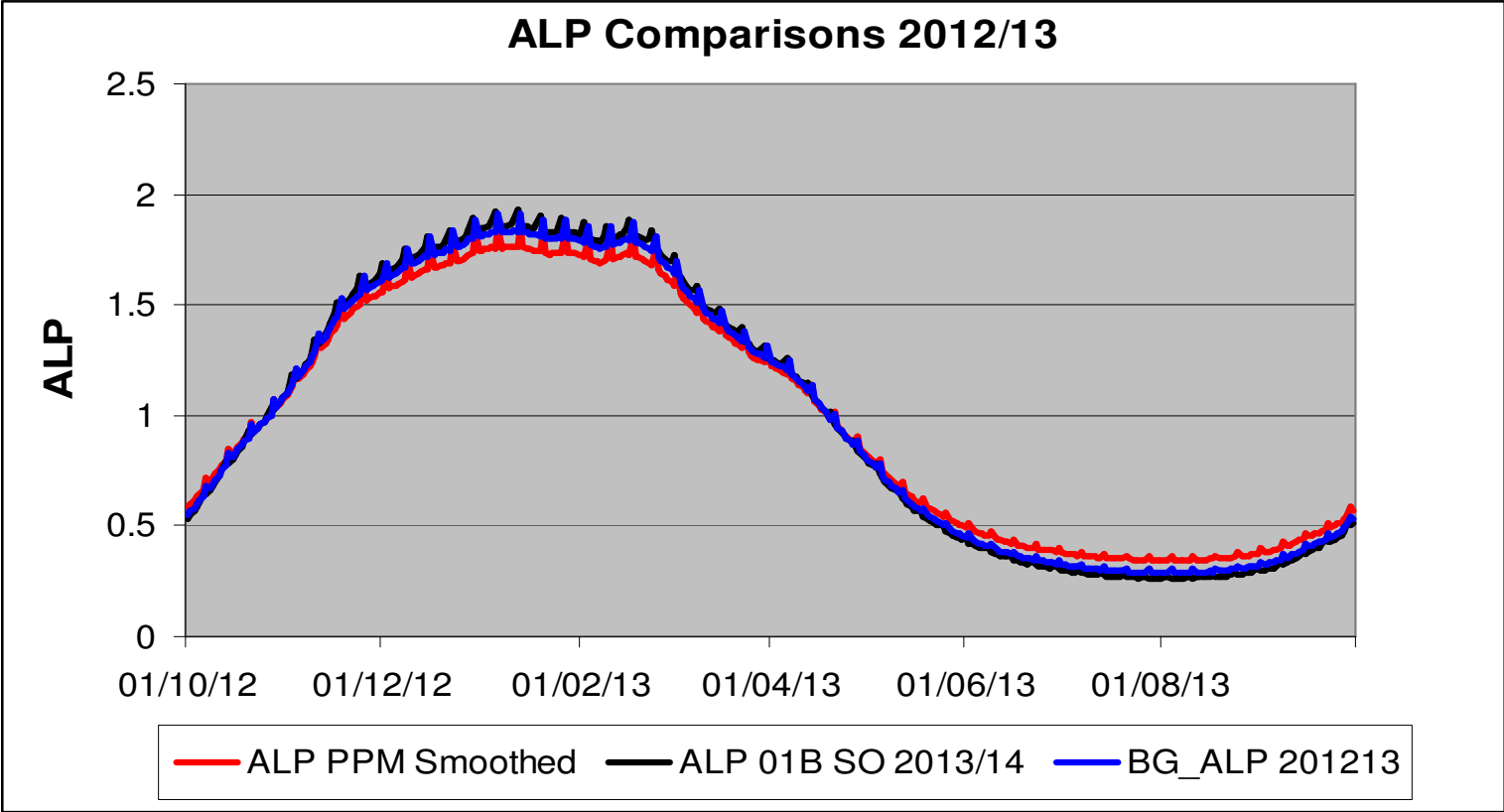
Data Cleansing and Validation Steps cont…

- The data was then subjected to the same validation checks as the data from the Xoserve NDM sample
- 5347 unique MPRNs passed all of the above validation checks
- The demand was aggregated by gas day for these sites and then regression analysis performed on the data
- The regression parameters were used to calculate an ALP

Results of Analysis

ALP Comparisons 2012/13

Legend: ALP PPM Smoothed — ALP 01B SO 2013/14 — BG_ALP 201213

Further work

- Periodic Pre-payment meter data has been received from EOn – we are currently in the process of validating and analysing this data

- Xoserve will report the findings back to DESC

DESC Views on Outcomes

- DESC has an objective of providing an updated PPM profile by October

- What are DESC's views on the outcome of this analysis?

- How should British Gas/E.On data be used?

- Suggestions on how to derive profiles for LDZs other than SO?