Project Nexus Workgroup
AQ Backstop Date

11th August 2014

Background

- Action NEX0703 from 22nd July PN UNC requested Xoserve to provide further clarification around Backstop Date and option 1 presented.
- The following slides provides clarity on the options being proposed
- To confirm, the following is the current Process regarding the application of a Backstop Date
  - If a successful amendment is made against a Meter Point that failed to calculate a revised AQ a new backstop date *will not* be applied.
  - If a successful amendment is made against an Xoserve proposed AQ calculation then a new backstop *will* be applied.
  - If Xoserve carry forward the previous gas years AQ and not apply the initial Xoserve AQ calculation then a new backstop date *will* be applied.
  - If Xoserve recalculate the new system AQ using the Spec Calc then a new backstop date *will* be applied.

Applying an AQ Backstop Date for AQ Amendments & Appeals

- Where a successful AQ Amendment or AQ Appeal is made against an Xoserve calculation of the AQ, a Backstop Date to be applied
    - This is so reads considered by the Shipper to be not reflective of the sites consumption are not used in future AQ Calculations
- This Backstop Date will be used for the rolling AQ process following Go Live
- This is no difference to the process that would currently happen where an AQ is challenged and protects the Shipper from an AQ being calculated that is not reflective of the sites consumption

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Applying an AQ Backstop Date to AQs that have been Carried Forward

- Where an AQ has been carried forward or an alternative AQ applied using the Spec Calc (threshold crossers & LSPs only) in AQ2015 due to;

  a. Insufficient reads to calculate an AQ or

  b. Reads utilised have calculated an AQ that appears not to be reflective of the sites consumption

- In the current process an AQ Backstop Date is applied in scenario b., the Backstop Date is set as the date of the last read used in the proposed AQ calculation

- Propose to create an AQ Backstop Date for migration to the new system to ensure rolling AQ process does not create an AQ that is not reflective of the sites consumption

  – Although the read submitted post Go Live will be validated the AQ process uses consumption from previous reads to calculate the AQ

- Propose an AQ Backstop Date of the 1st April 2015

  – as proposed at 22nd July meeting

Proposed Options for Supply Meter Points where an AQ was Calculated

- For all Supply Meter Points where an AQ was calculated, not challenged and will go live on 1st October 2015, propose 2 options
- Option 1:
  - Apply a Backstop Date of 1st April 2014 to reduce the risk of non validated reads being used in rolling AQ process
- Option 2
  - Do nothing, but understand the risk
- Note
  - Currently if a read can not be identified at 42/50 weeks the system will first look for a read up to 36 months then back to 6 months
  - New rules will look for an earlier read back to 9 months before looking for an older read up to a max of 36 months

This will mean a different set of reads may be used for AQ 2015 than for the rolling AQ process post Go Live