



Project Nexus Workgroup

AQ Backstop Date –

UPDATED 6th November 2014

4th November 2014

Background

- Discussed at previous meetings the options around migrating a Backstop Date to the new system
 - A 'Backstop Date' will prevent any reads prior to this date being used in the AQ process
 - This potentially reduces the risk of reads not being subject to the new energy tolerance validations and reads not used in the annual AQ process being used in future AQ processes
- Requested at the October meeting for parties to consider the options presented & provide their preferred option, or any alternative option, for the November meeting where a decision must be made
- This presentation details the potential options delivered in October and a summary of the representations received
- **This updated version includes Option 5 presented by npower at the Workgroup meeting**

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- No Backstop Dates migrated to the new system
 - This includes any Backstop Dates currently applied as part of the annual review process are not migrated over



- The Backstop Date currently applied during the annual AQ Review only is migrated
- A Backstop Dates is currently applied where;
 - An AQ has been revised following a successful Shipper Amendment
 - During Annual AQ review process
 - An AQ has been revised following a successful Shipper Appeal
 - During the Appeal Window
 - As a result of an Xoserve amendment
 - Following validations the AQ calculated appears not to be reflective of the sites consumption

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- Apply the same Backstop Date to all Supply Meter Points
- For example
 - 1st April 2015 (all reads pre 1st April already considered in AQ 2015 review) or
 - 1st October 2015



- Apply a Backstop Date to all Supply Meter Points but a different date depending on the scenario
- For example
 - Apply the existing Backstop Date where there has been an AQ Amendment or Appeal during the annual review process
 - Apply a Backstop Date of 1st April 2015 for AQs that have been carried forward
 - Apply a Backstop Date of 1st April 2015 where an AQ was calculated, not challenged & the AQ went live on 1st October

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- Apply a Backstop Date to all Supply Meter Points but a different date depending on the scenario
- Recommended dates
 - Apply the existing Backstop Date where there has been an AQ Amendment during the annual review process
 - Apply a Backstop Date of 1st October 2015 for AQs that have been carried forward
 - No Backstop Date applied where an AQ was calculated, not challenged & the AQ went live on 1st October



- Apply a Backstop Date of 1st April 2014 to all Supply Meter Points
 - This would replace the Backstop Date applied during the annual AQ Review
 - The Backstop date of 1st April 2014 would be migrated at Cutover
 - Reads pre 1st April 2014 will not be considered in the monthly rolling AQ process



Representations Received

- Five representation were received;
 1. Option 3: Set a global Backstop Date of Nexus Go Live (1st October 2015)
 2. Option 2: Set the Backstop Date currently applied during the annual AQ Review
 3. Option 4: Apply a Backstop Date to all Supply Meter Points but a different date depending on the scenario
 4. Option 4: Apply a Backstop Date to all Supply Meter Points but a different date depending on the scenario
 5. New Option (5) - Apply a Backstop Date of 1st April 2014 to all Supply Meter Points

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Justification for Option 3

- In the absence of robust Nexus equivalent read validations for reads that will be used in rolling AQ, then prudence would dictate setting a global Backstop Date of the Go Live date for all Supply Meter Points
- New processes rely on reads being validated for use in all downstream processes but this principle is ignored for reads submitted pre Go Live although will be used post Go Live for AQ processes.
- Believe all legacy reads that will be used in rolling AQ should be subject to Nexus level read validations and only those that pass are used in the rolling AQ process
- Based on evidence during annual AQ reviews, un-validated reads following AQ 2015 will be submitted and used for rolling AQ which could mean material changes to the AQ calculated at AQ 2015

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Justification for Option 2

- Option 2 preserves the intention of Backstop Dates – to remove erroneous periods of consumption from the AQ calculation process whilst still maintaining as much read history as possible
- This option best places the requirements of quantity and quality of read history

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Justification for Option 4 (a)

- This option provides the benefit of the Backstop Dates assigned from the 2015 AQ review to be migrated and an industry wide approach to AQs that have been carried forward and for AQs calculated and not challenged
 - Apply the Backstop Date assigned at AQ 2015 for AQ Amendments & Appeals
 - Apply a Backstop Date of 1st April 2015 to Supply Meter Points where the AQ was 'Carried Forward' and where an AQ was calculated but not challenged during AQ 2015
- Although this would limit the AQ calculation for a period of 3 months this would be an acceptable compromise

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Justification for Option 4 (b)

- Preference for Option 4 with the following Backstop Dates applied for each of the scenarios;
 - Current backstop rules to apply where the shipper accepts the AQ in the 2015 AQ Review.
 - Current backstop rules to apply where the shipper amends the AQ in the 2015 AQ Review.
 - If Xoserve are unable to calculate the AQ and the current AQ is carried forward then a backstop date of 1st October 2015 to be applied

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