

xserve



respect > commitment > teamwork

PN UNC Workgroup (AQ topic)

Meeting 4, 3rd August 2011

Objectives of the Workgroups

- Determine detailed business requirements for future determination of the Meter Point AQ
- Consider/review comments made during the Project Nexus consultation and the high level principles agreed at the Principle Workgroup.
- Review existing Modifications relevant to the topic area
- Workgroup deliverables;
 - Process maps
 - Business Requirements Document. Document to provide sufficient definition around business rules to:
 - Enable the proposed requirements to be incorporated in xoserve's investment decisions, and
 - Support the raising of any UNC Modification Proposals
- Monitor & align with latest SMIP position
- Focus will be on requirements for Project Nexus delivery

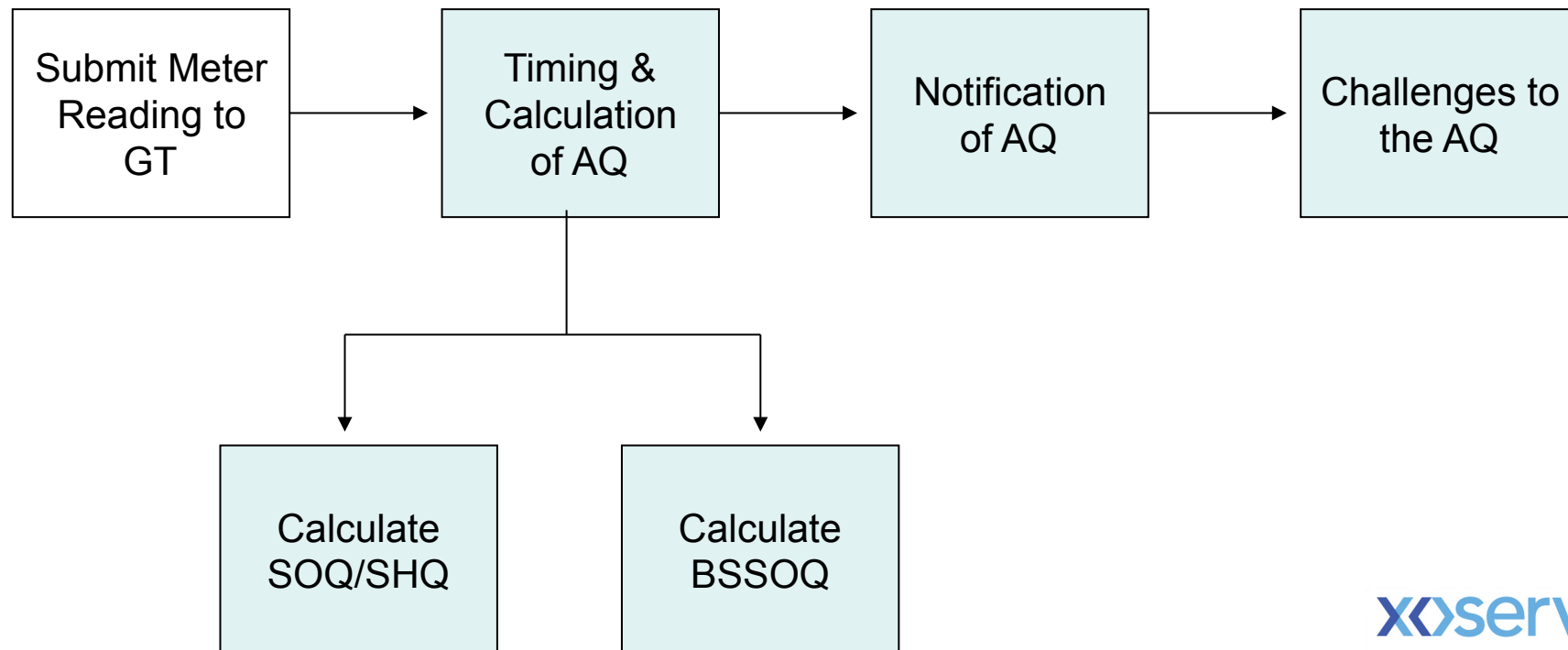


Approach & Workplan

- Review;
 - High level AQ principles
 - Mod 0209; Rolling AQ
 - Mod 0380; Periodic AQ Calculation
 - Mod 0379; Provision of an AQ review audit (including 0379A)
 - Mod 0378; Greater transparency over AQ Appeal performance
 - Mod 0292; Change AQ Amendment Tolerance for SSP
- Agree scope
- Consider requirements from Settlement Workgroup & impacts on the AQ
- Agree future requirements
- Develop process maps and detailed business rules

Scope of AQ Determination

- Determination of the AQ, SOQ, SHQ & BSSOQ for all directly connected sites.



Business Issues Raised

- Issues identified during the AQ Principle Workgroup during March – April 2010
 - Changes in consumption are not immediately reflected in the AQ
 - Current AQ is based on historic consumption data, does not accurately reflect current consumption
 - Unable to appeal SSP AQ' s
 - Manually labour intensive during the summer
 - Approx. 3.5 months to validate AQ' s on portfolio
 - Impacts on other processes during the processing & updating the annual AQ review
 - Current process does not provide an incentive to submit reads more frequently

Issues Raised at the 1st AQ Meeting that need to be resolved

- Maintaining a static SOQ
- Transition
- Inaccurate asset data for legacy sites (& smart sites) - **Resolved**
- Is a rolling monthly AQ required with meter point Rec? - **Resolved**
- Nomination of the SOQ & SHQ - **Resolved**
- Validation of the AQ before submission to the Shipper - **Resolved**
- Process for significant change in loads (BTU process) - **Resolved**

Summary of the 4 Processes being developed in the Settlement Workgroup

| Process Description | Process for initial Allocation | Process for Energy Balancing close-out | Read Submission Timescales | Type of Read Submission | Reconciliation |
|--|--------------------------------|--|----------------------------|----------------------------------|---|
| 1 – Daily Metered Time Critical Readings | Uses daily read | Uses daily read | By 10am on GFD+1 | All reads daily on GFD+1 | Meter Point level following a re-synch or estimate |
| 2 - Daily Metered not Time Critical Readings | Transporter estimate | Uses daily read | By end of GFD+1 (05.59 am) | All reads daily by end of GFD +1 | Meter Point level following a re-synch or estimate |
| 3 – Batched Daily Readings | Transporter estimate | Transporter estimate | Daily Reads in batches | All daily reads in batches | Daily Rec at Meter Point level on receipt of a batch of reads |
| 4 – Periodic Readings | Transporter estimate | Transporter estimate | Periodic | Periodic reads | Meter Point level at receipt of read |

Objectives for Today's Meeting

- Review draft future state process maps
- Agree content of BRD, in particular;
 - Agree changes made since last version (0.1)
 - Resolve outstanding issues
 - Initial view of benefits
 - Review updates on Mod 209 business rules, in particular;
 - Consumption periods
 - Validations
 - AQ Correction process