

xserve



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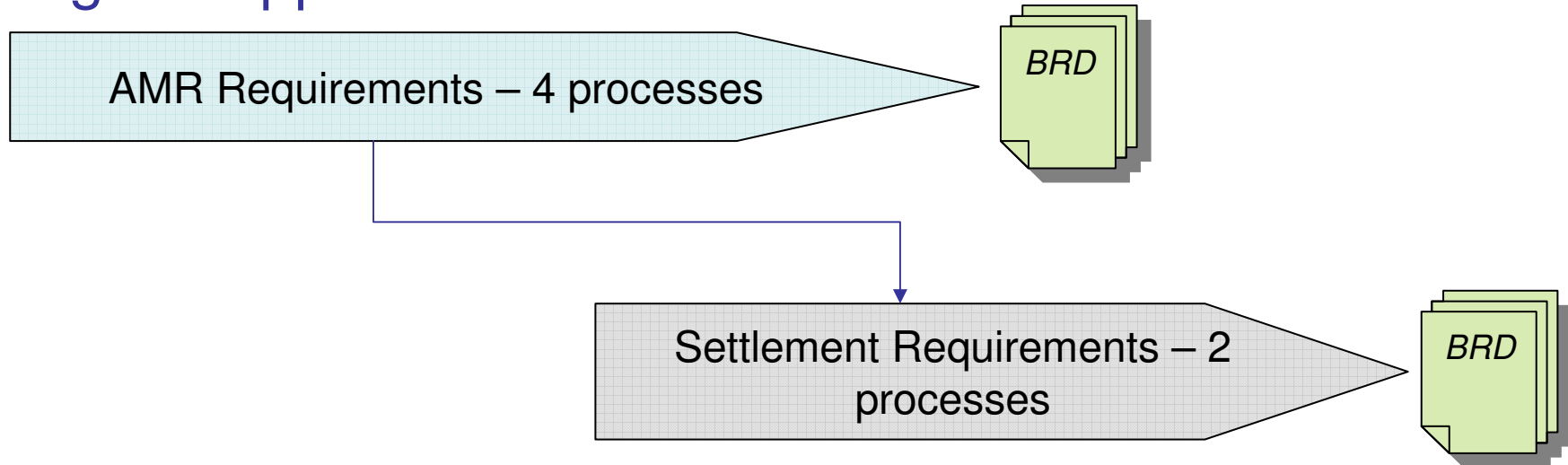
Project Nexus Meeting 4 May 2011

Proposed Merger of AMR/Settlement Material

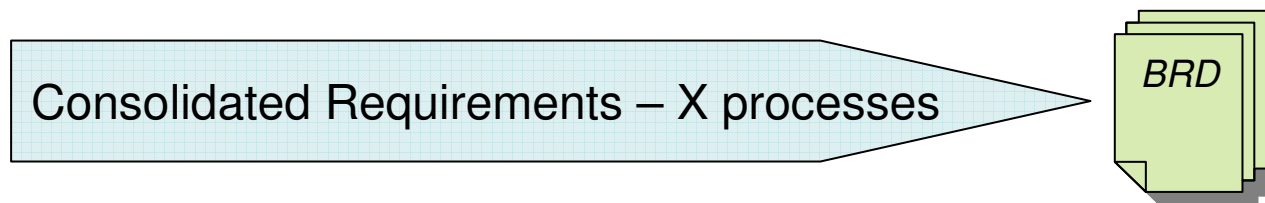


Development of Requirements

Original Approach



Revised Approach



Objectives of the Workgroup (from Settlement)

- Determine detailed business requirements & rules for future Settlement of all Supply Points
- Output from workgroup;
 - Process maps
 - Business Requirements Document for future state
 - 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, if required
- Initial focus will be on transitional arrangements - i.e. Day 1 Project Nexus
- Monitor & align with latest SMIP position

Identification of Business Issues

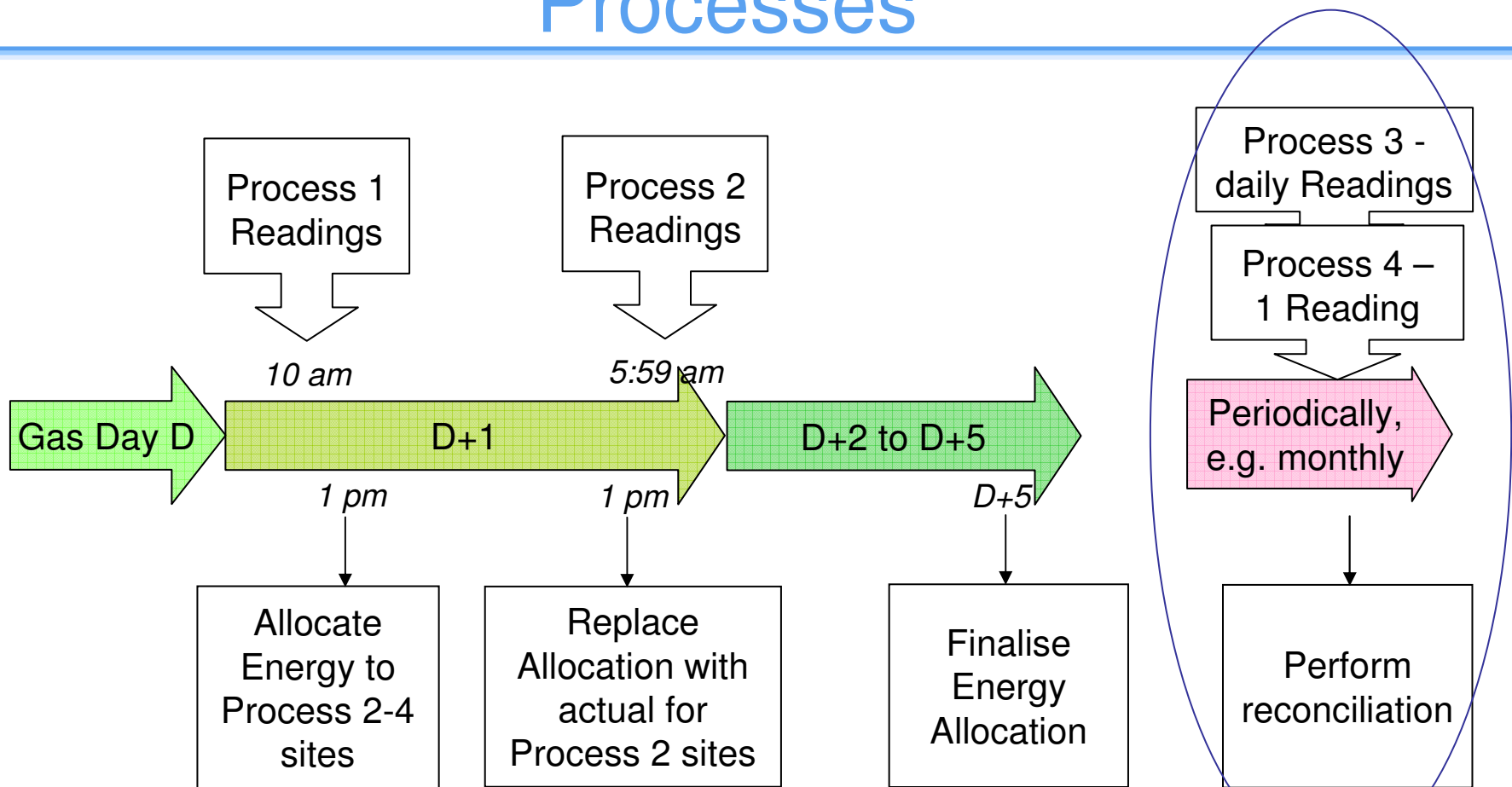
- Issues identified at 1st AMR Workgroup from walkthrough of DME
- Agreed issues;
 - Calculation & provision of estimated reads
 - Deadline for receipt of daily reads (actual or estimated)
 - Backstop where no read provided
 - Replacement of reads (actual or estimated)
 - Limits on volumes
 - Close out of an estimated read where an actual is available
- Issues identified in the Allocation Principles and Settlement Workgroup
- Agreed issues;
 - Difference between gas nominations, allocations & actual consumption
 - Profiling & Scaling Factors are not appropriate
 - Estimation methodology
 - Unfair smearing mechanism
 - Current regime does not reflect changes in site consumption quickly

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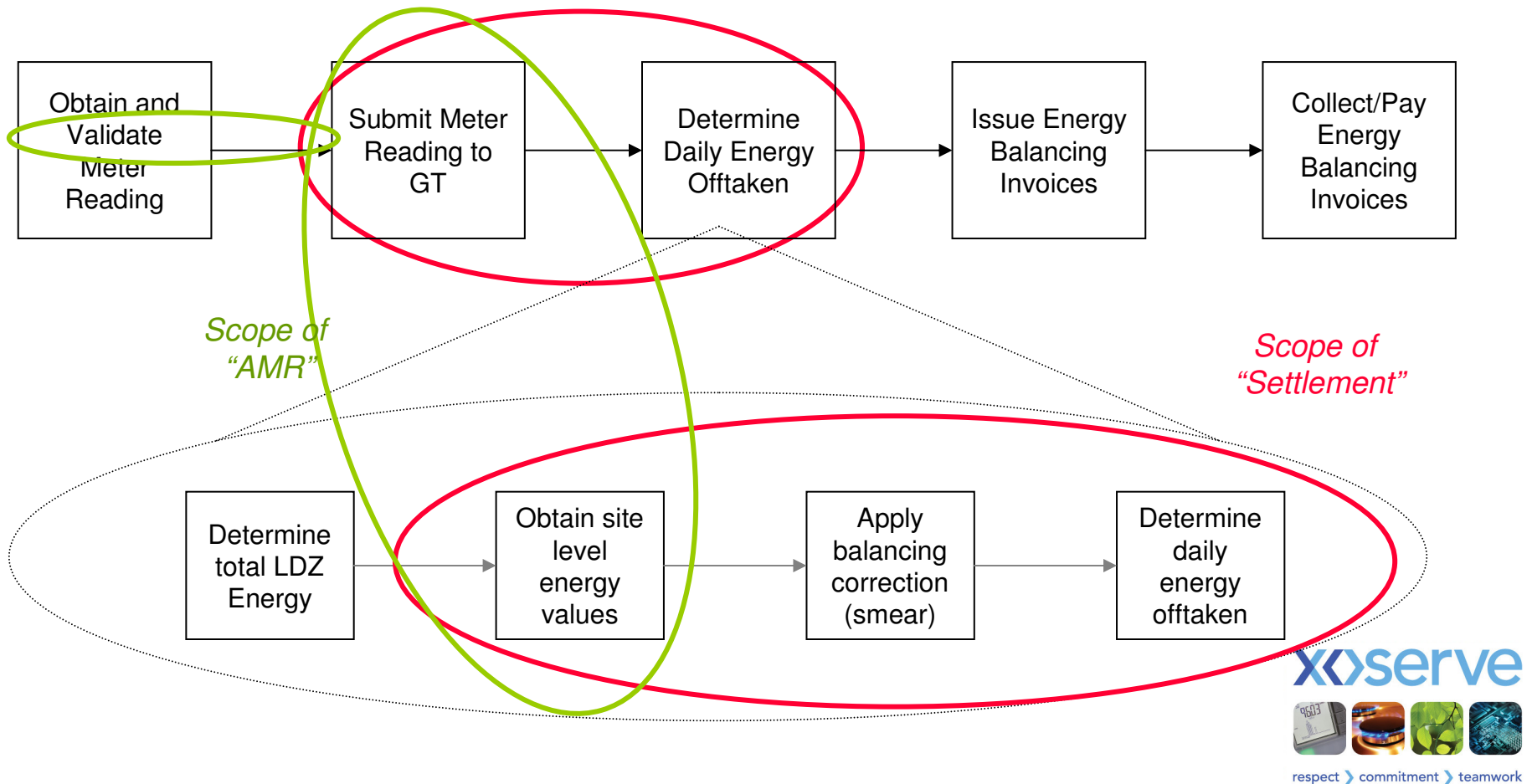
Comparison of AMR Meter Reading Processes



Processes to be included in initial Settlement Requirements

Scope of Settlement v AMR

- Determination of daily gas offtaken, processing of reads and interaction with subsequent reconciliation



Business Requirements document

- Document details 4 parallel processes for receipt & processing of meter readings based on the ICoSS presentation
- Merges in new draft requirements from Settlement e.g. Allocation Scaling Adjustment
- Added As-Is process for Demand Attribution
- Highlights areas still to be agreed/finalised
- Highlights areas of conflict between AMR and Settlement

Alignment with Settlement Business Rules?

- Few areas defined within Settlement which are different to those agreed in AMR:
 - Gas Nominations
 - Must Reads
 - Shipper estimates
 - Notification submission & timescales for changes to regime/read frequency
- Review requirements to align where possible?

Questions / Issues log from AMR

- Issues/Questions raised at previous meetings
- This list will be maintained as & when issues are raised and resolved.
 - Validation rules for reads submitted
 - Should the type of AMR equipment be recorded so the Check Read obligation can be monitored/recognise when a re-synch is expected
 - When should the Check Read requirement apply (timescale & for which sites)?
 - Where a site transfers from the DM to the NDM regime the Check Read requirement will cease to apply. Is this acceptable?

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Additional Items from Settlement Workgroup

- Workplan items not covered by AMR Business Rules:
 - Interaction with Energy Balancing, Demand Estimation and Reconciliation
 - Estimation Methodology
 - Smearing mechanism
 - Development of additional process maps

Objective for Today's Meeting

- Review of new approach
 - Is new document appropriate – structure/relevance?
 - Review areas of conflict – is single document approach feasible?
- Detailed requirements
 - Review latest changes made to the Business Requirements document (from AMR & Settlement)
 - Are AMR detailed requirements all appropriate to Settlement
 - Agree principles for read validation
 - Agree read communication content
 - Review & update Issues Log
 - Review To Be process maps