

# Project Nexus

Development of Smart Metering  
Settlement Requirements – Meeting 1  
9th February 2011

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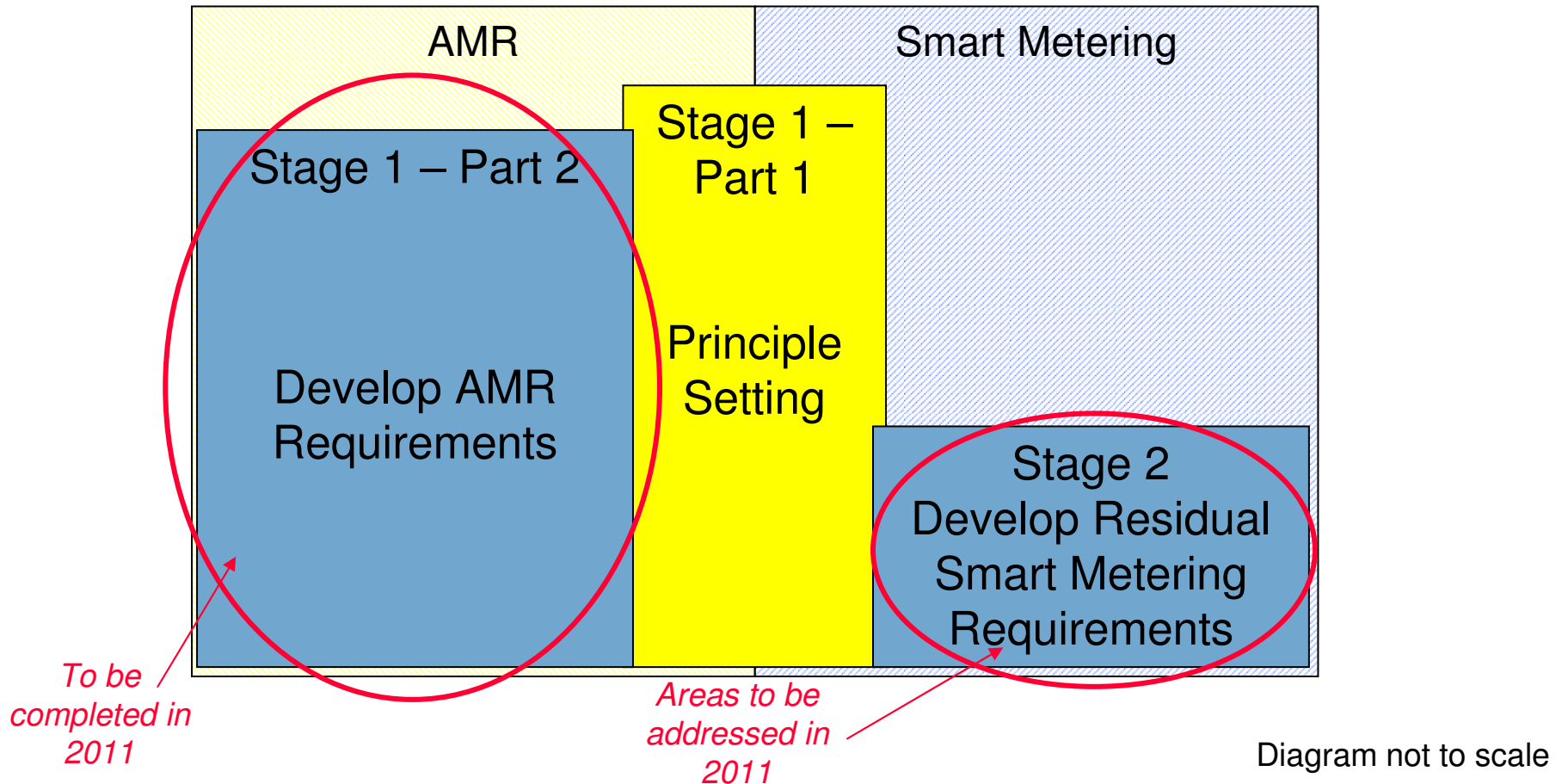
# Background

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- PN UNC Workstream December meeting agreed to commence work on residual Smart metering requirements
- Settlement was agreed as the initial work area
  - Determination of daily gas offtaken and interaction with subsequent reconciliation

# Project Nexus UNC Current Scope

Hybrid approach to Requirements Development



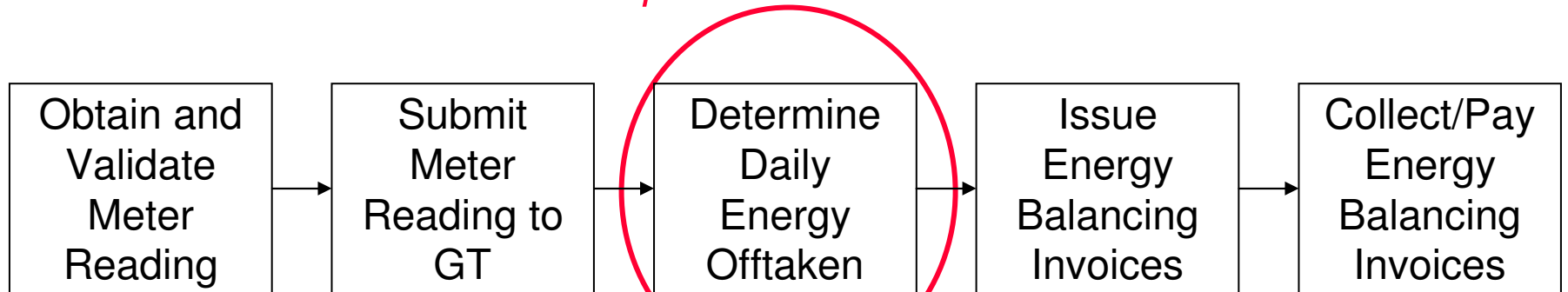
# Objectives of the Workgroup

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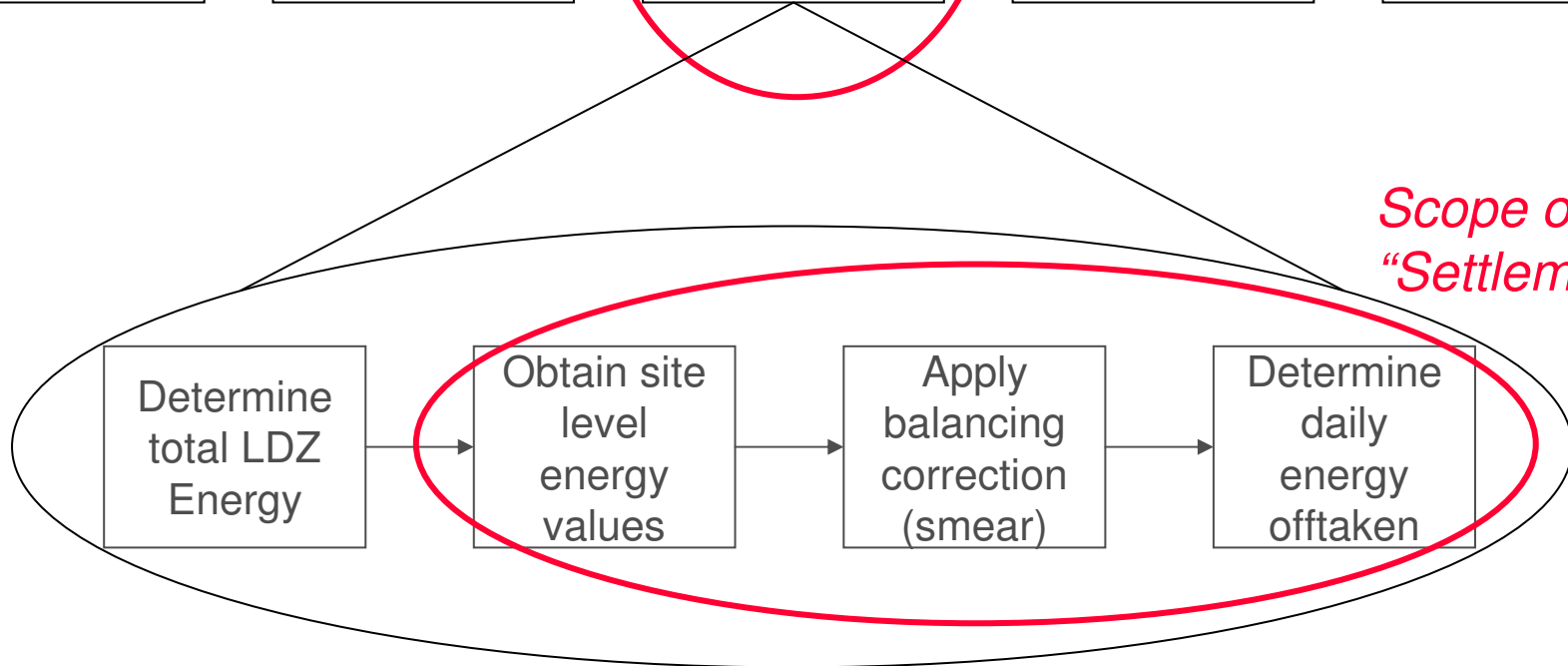
- Determine detailed business requirements for future Settlement of all Supply Points.
- Consider the comments raised in the Initial Requirements Register and either include in future requirements or agree to close
- Provide sufficient definition around business rules to:
  - Enable the proposed requirements to be incorporated in xoserve's investment decisions, and
  - Support the raising of any UNC Modification Proposals, if required

# Scope of “Settlement”

*Scope of “Settlement”*



*Scope of “Settlement”*



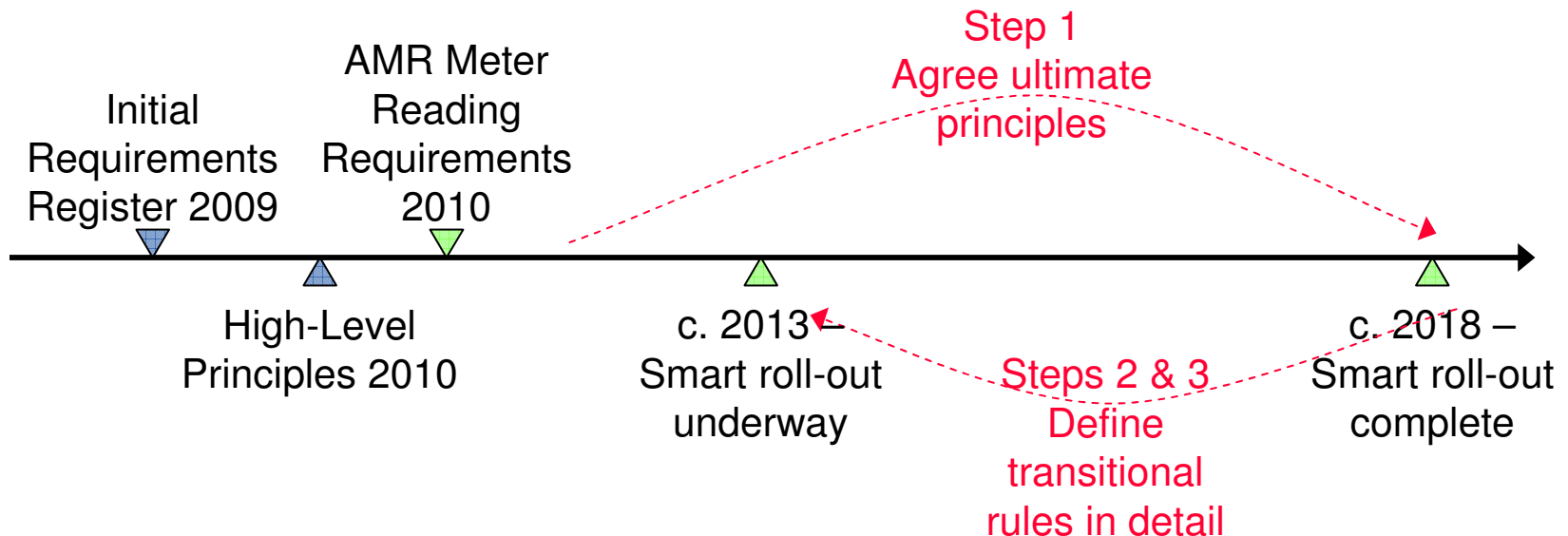
# Approach to Workgroup

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- High level principles already defined under “Allocation” topic
- Need to revisit/validate the principles as first step
- Next step should focus on transitional arrangements – more immediate requirements
- Need to continue to monitor and align with Smart outcomes

# Development of Requirements

- 3 step process to arrive at Requirements
  1. Agree ultimate principles for settlement
  2. Agree transitional principles for settlement
  3. Define transitional processes and rules in detail





# Outline Approach to Settlement Workgroups

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- Meeting 1
  - Recap on High Level Principles for Allocation
    - v
  - AMR Requirements for Meter Reading
  - Confirmation/determination of high level future principles for Allocation for Smart meters
  - Initial capture of advantages/disadvantages
- Meeting 2
  - Review As-Is process maps
  - Determine high level principles for transitional arrangements
  - Consider current context e.g. AUGÉ process
  - Analyse options and agree preferred way forward

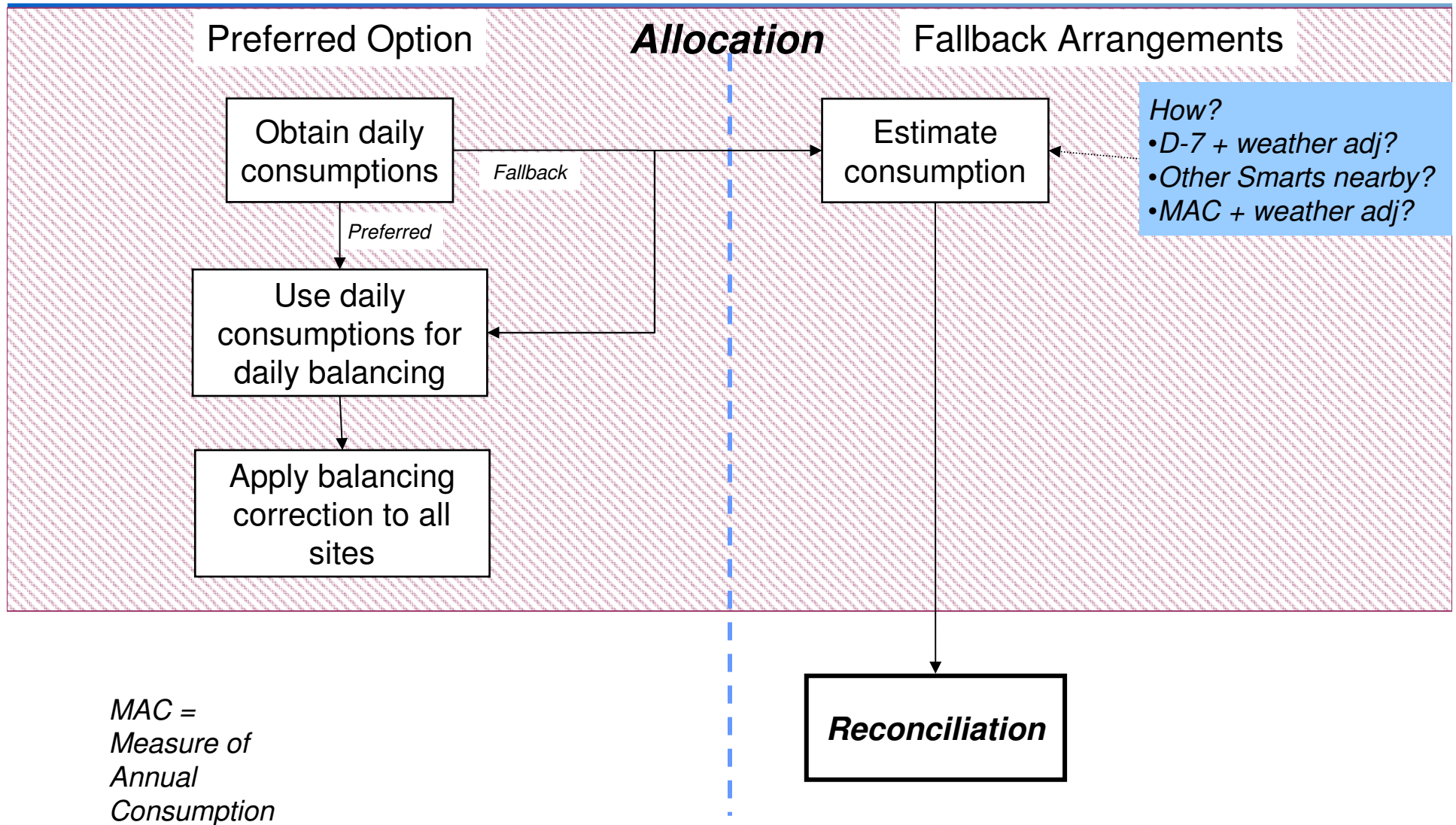
# Outline Approach to Settlement Workgroups - contd

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- Meeting 3 onwards
  - Exact timetable depends on degree of similarity to AMR requirements
  - AMR Requirements for Meter Reading will be reviewed/re-used wherever possible
  - Workplan needs to include:
    - Interaction with Energy Balancing, Demand Estimation and Reconciliation
    - Timing of read submissions
    - Overview of read communications
    - Read validation rules
    - Treatment of missing days
    - Incentive arrangements to encourage high submission rates and quality
    - Fallback arrangements for a succession of missing reads
    - Development of process maps
  - Output from workgroups – Business Requirements Document for future state, initial focus on transitional arrangements, aligned with latest SMIP position – sufficient to raise a Modification

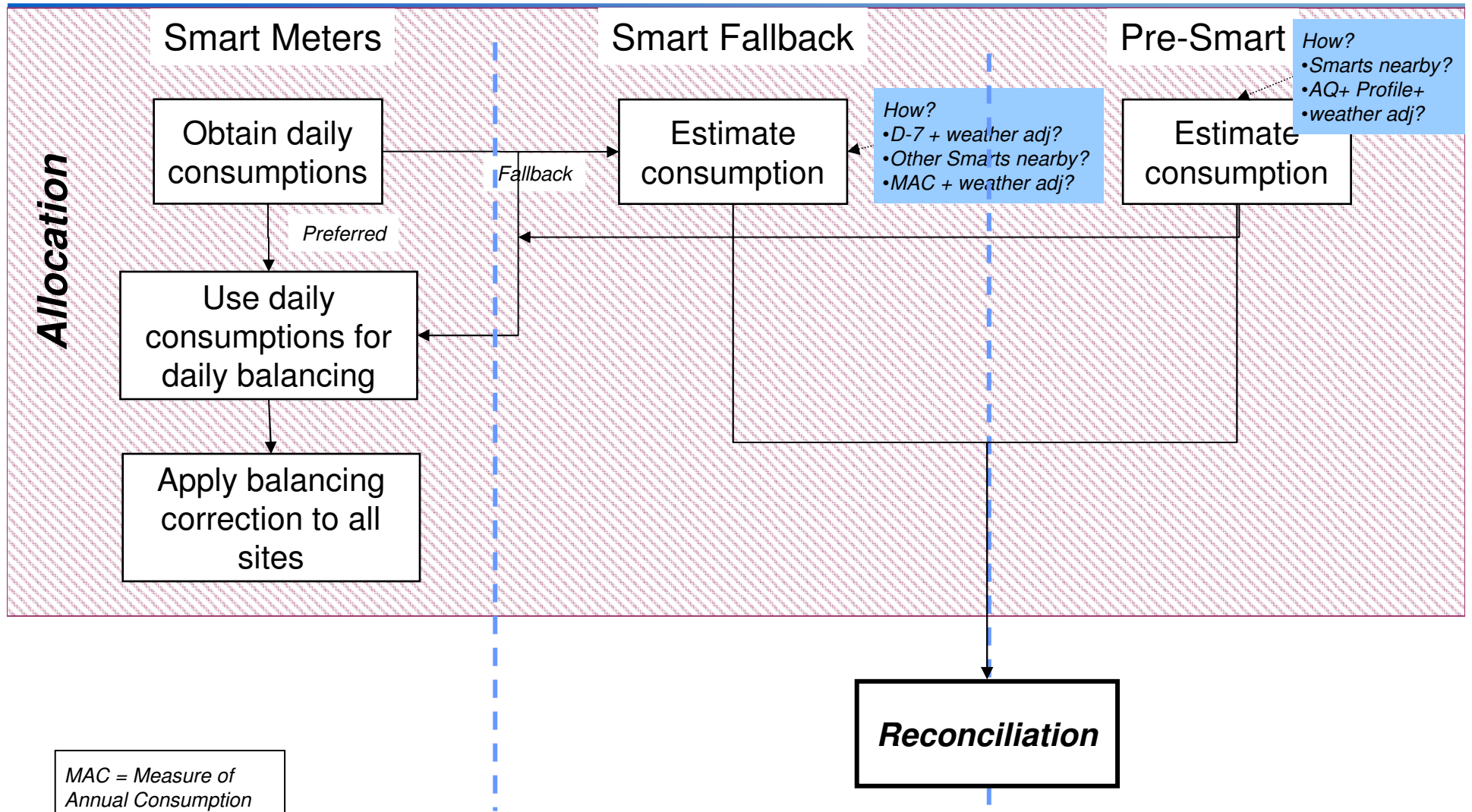
# High Level Allocation Principles

## Preferred Option



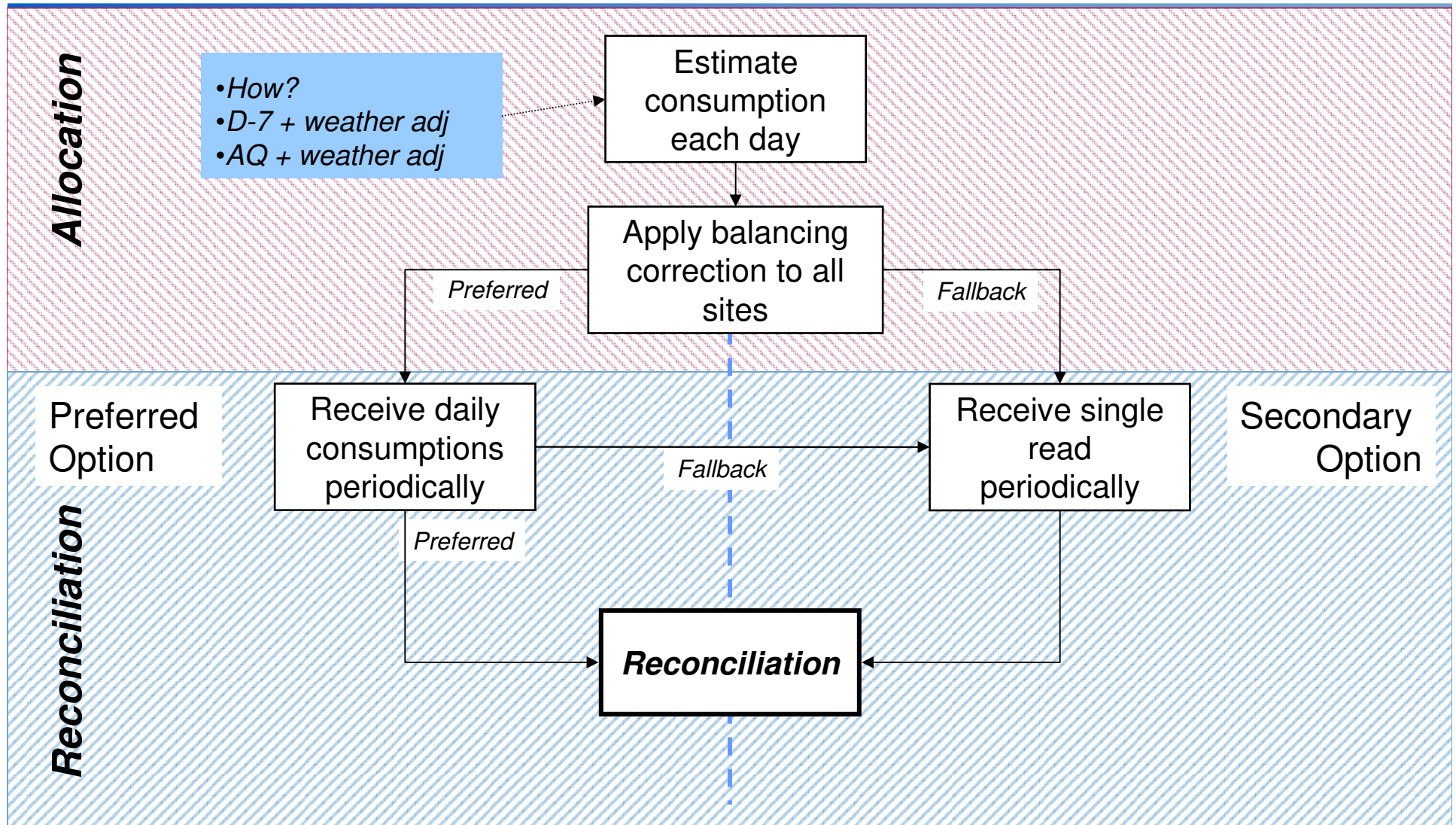
# High Level Allocation Principles

## Preferred Option – Transition



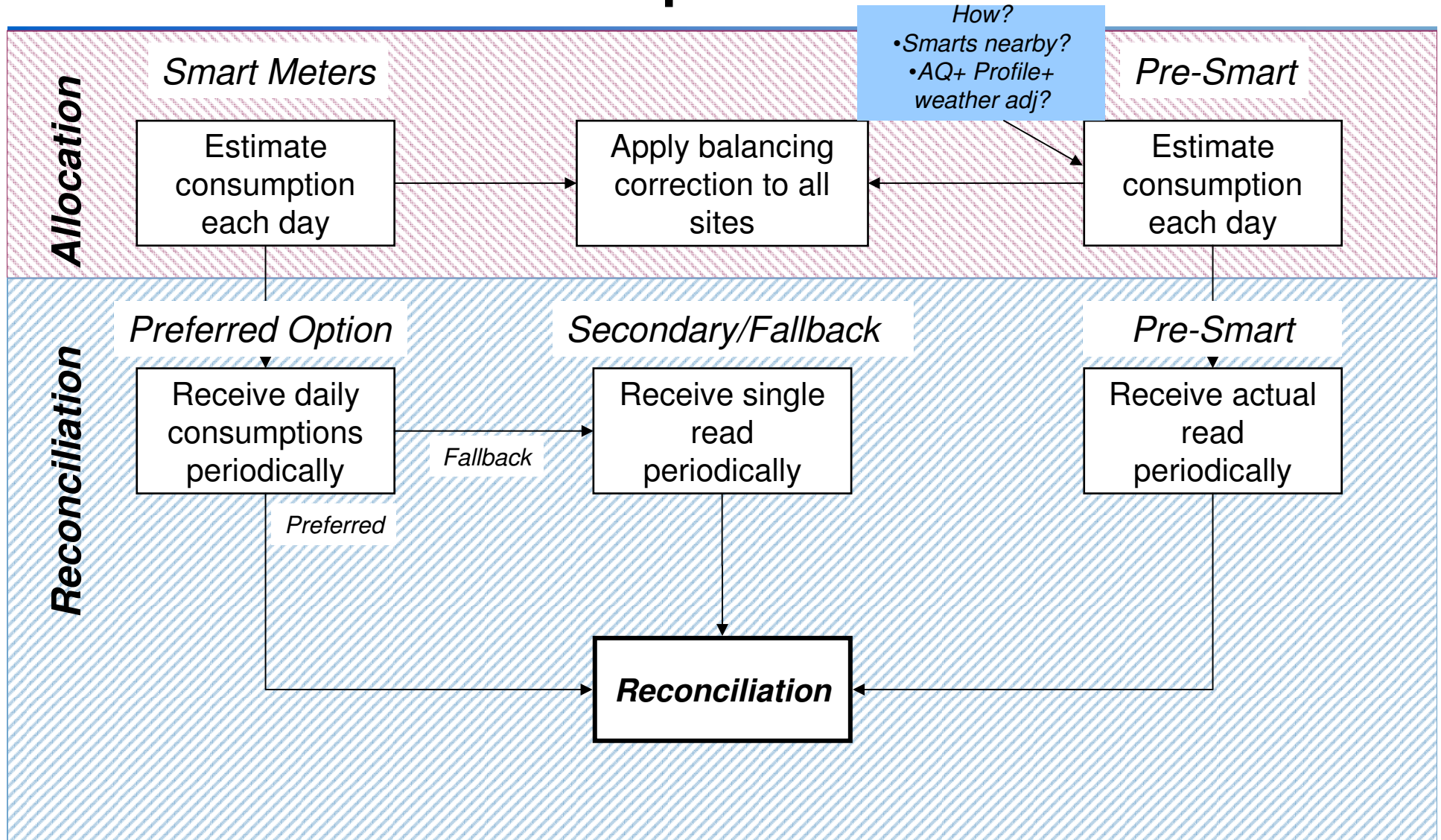
# High Level Allocation Principles

## Alternative Option



# High Level Allocation Principles

## Alternative Option – Transition



# Overview of AMR Meter Reading Requirements

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- AMR “Meter Reading” topic equates to Allocation/Settlement Topic
- Discussions nearing conclusion
- Business Rules and Process Models being defined for future daily allocation processes for AMR sites
- Rules define 4 mutually exclusive processes which can be selected for any AMR sites (with exclusions)

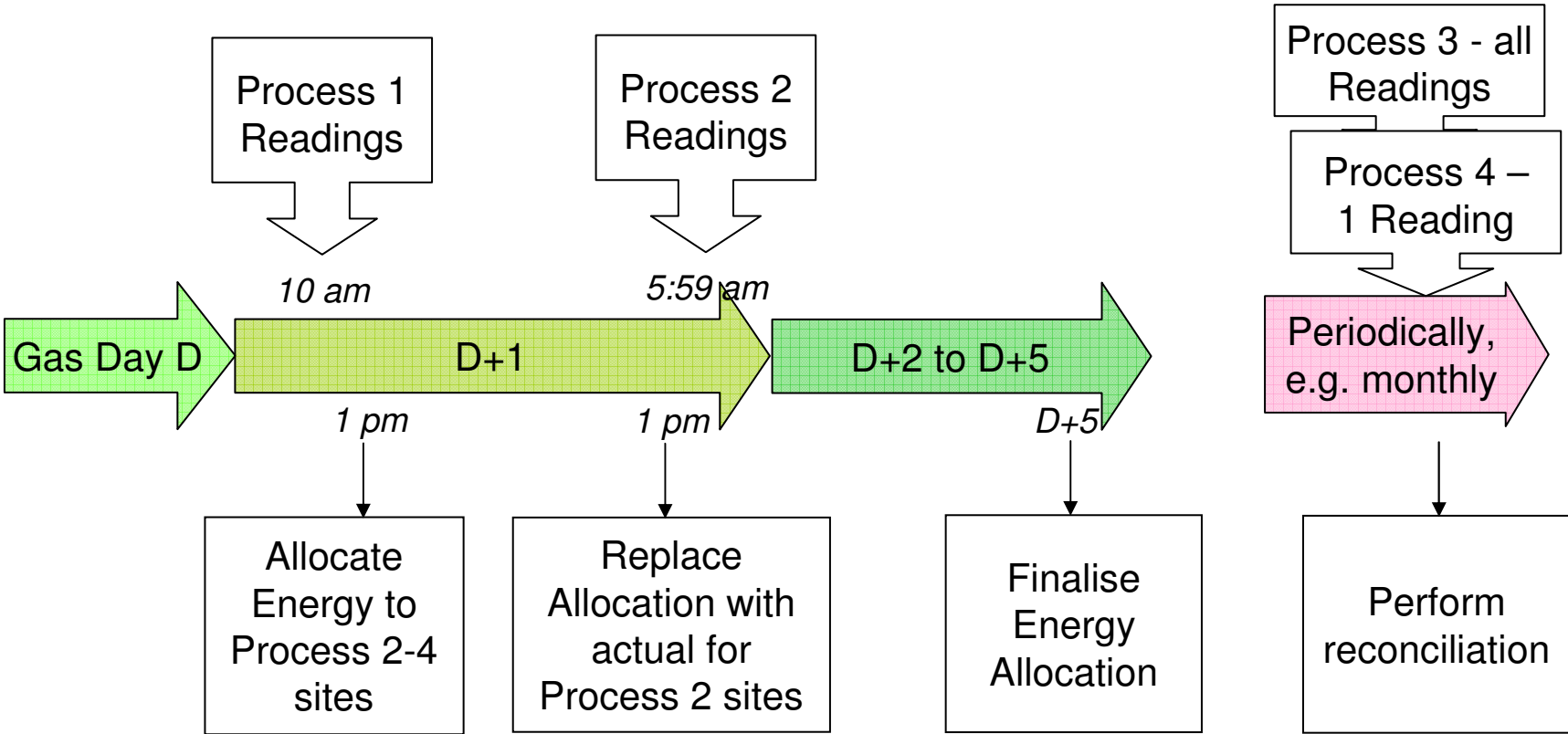


# Summary of AMR Meter Reading processes

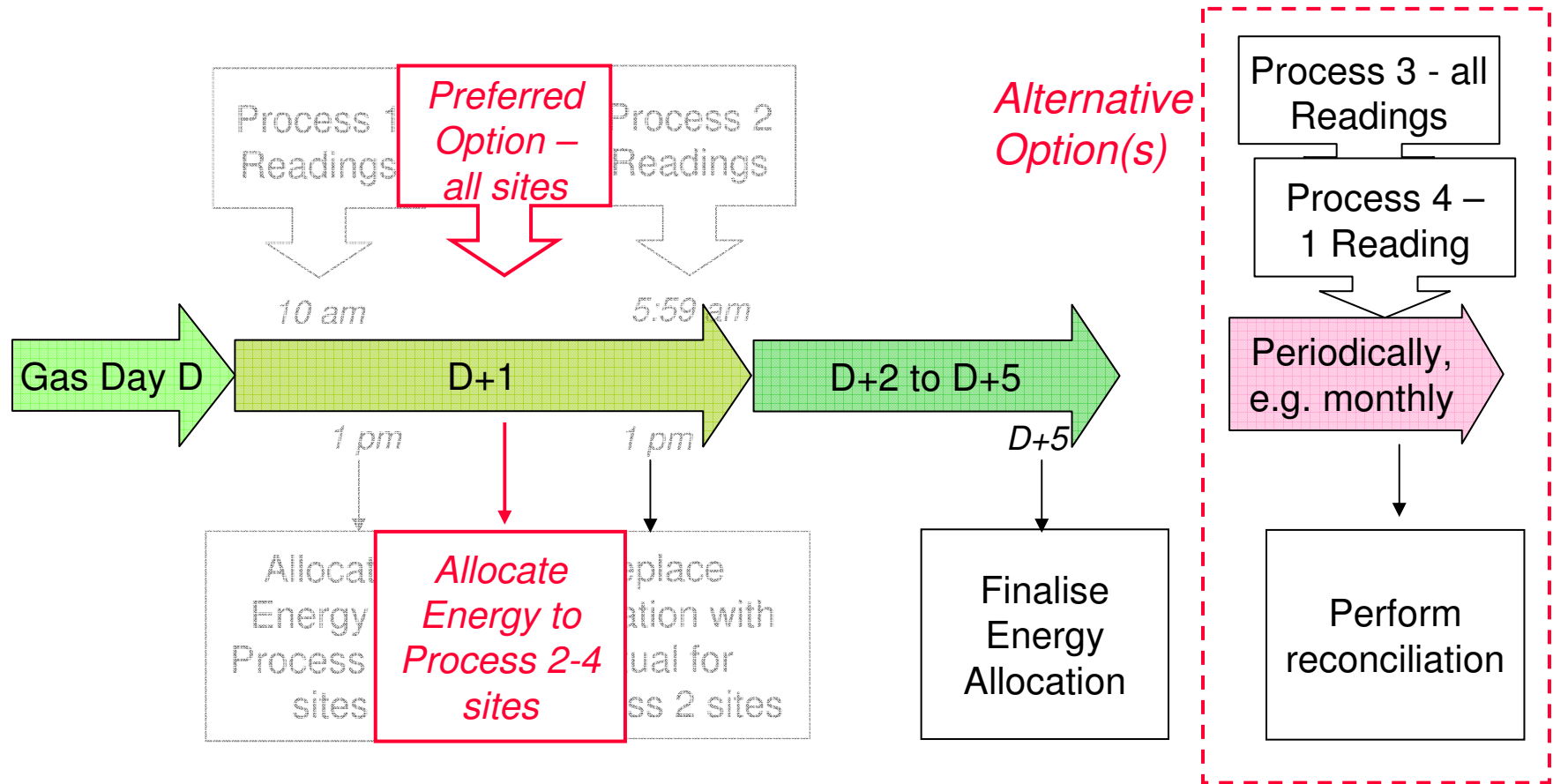
Process – Description	Process for initial Allocation	Process for Energy Balancing close-out	Read Submission timescales	Type of Read Submission
1 – Daily Balanced: Time Critical for Allocation purposes	Uses daily read	Uses daily read	By 10am on D+1	All reads – daily on D+1
2 - Daily Balanced: Not Time Critical	Transporter estimate	Uses daily read	By end of D+1 (05.59 am)	All reads – daily by end of D+1
3 – Daily Reconciled	Transporter estimate	Transporter estimate	Periodic	All reads – in batches – to an agreed frequency
4 – Periodic Reconciliation	Transporter estimate	Transporter estimate	Periodic	Periodic reads – to an agreed frequency



# Comparison of AMR Meter Reading Processes



# AMR Meter Reading v Allocation Principles



# Questions for Discussion Today

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- What is the future high level principle for Allocation in a fully Smart world?
  - Is that consistent with AMR requirements?
- What is the high level principle for Allocation in the transitional world
  - Is that consistent with AMR requirements?
- What are the advantages/disadvantages of those principles?
  - Initial view of benefits to support the business requirements