Performance Assurance Workgroup

Summary report of East Midlands unread AQ

Contents

1. Introduction

Since July 2014 Xoserve has been undertaking detailed analysis of read information for East Midlands LDZ. The data has been used to support a number of reports to the Performance Assurance Workgroup (PAW).

This is the third of a series of three reports providing the output from the analysis of unread AQ information measured against the requirements set by the meter read frequency of the meter point. The two previous reports are:

- A performance methodology report published in October 2014
  http://www.gasgovernance.co.uk/sites/default/files/Performance%20Assurance%20Framework%20Workgroup%20methodology%20report%20v1.0.pdf
- A report on meter reading submission numbers published in March 2015
  http://www.gasgovernance.co.uk/sites/default/files/PAW%20meter%20reading%20performance%20report%20Feb%2015%20EM%20LDZ.pdf

This report uses the data from reads received to determine the unread AQ within the LDZ.

Whilst the report provides some information, further analysis is required to consider the risk of the current "performance". The risk is the period beyond which the unread AQ remains unread. At present this has not been considered.

2. Results summary

This report focusses on the unread AQ information. Each meter point has a read frequency; monthly, six monthly and annually (daily metered meter points are excluded from the analysis). Each meter point therefore has a set date by when a meter reading should be received. Where a meter reading is not received by the required date then some impact of that unread meter point can be made.

This report works on the assumption that a meter point, unread beyond its target read date, may create risk to the industry in the form of late reconciliations which will have a community impact. The analysis is based upon a post Mod 0432 arrangements that provides for individual meter point reconciliation.

3. High level results

3.1. Overall LDZ profile

To start with the overall LDZ picture needs to be considered. This is shown in the table below (some figures have been rounded):

2014	Monthly meter read frequency			Six monthly meter read frequency			Annual meter read frequency			Total LDZ AQ
	No of meter points	Total AQ of meter points	% of LDZ AQ	No of meter points	Total AQ of meter points	% of LDZ AQ	No of meter points	Total AQ of meter points	% of LDZ AQ	
July	10,970	10,282,590,000	23.55	968,000	15,172,280,000	34.75	1,229,000	18,208,410,000	41.70	43,663,280,000
Aug	10,980	10,191,310,000	23.32	954,000	15,224,300,000	34.83	1,229,000	18,292,000,000	41.85	43,707,610,000
Sept	10,515	10,132,170,000	23.67	958,000	14,847,220,000	34.68	1,239,000	17,834,540,000	41.66	42,813,930,000
Oct	10,835	10,110,820,000	23.81	973,000	14,714,210,000	34.66	1,257,000	17,632,490,000	41.53	42,457,520,000
Nov	11,145	10,158,810,000	23.19	970,000	15,034,970,000	34.32	1,259,000	18,609,300,000	42.48	43,803,080,000
Dec	10,452	10,132,170,000	23.38	961,000	15,068,730,000	34.77	1,244,000	18,138,850,000	41.85	43,339,750,000

3.2. Unread AQ

The next stage of the analysis considers the unread AQ. This is the AQ that should be read in the month. For monthly read meter points this will be all of them, for six monthly and annually read meter points the last read is a minimum of 6 or 12 months previous to the current month.

The unread AQ represents energy that has been allocated but not reconciled. The difference between allocated and reconciled represents the risk to the community, although this should be a temporary risk unless the unreconciled period falls into the code cut-off date (line in the sand).

The unread AQ has been analysed for the monthly population for the months July – December, the six month and annually read populations have been analysed for November and December only.

Monthly population summary

Monthly meter read frequency						
2014	Total popn requiring a read	AQ of meter points requiring a read	Amount of AQ read	Percentage of required AQ read	Amount of unread AQ	Percentage unread
July	10,970	10,282,590,000	7,793,160,000	76	2,489,430,000	24
August	10,980	10,191,310,000	6,233,640,000	61	3,957,670,000	39
September	10,515	10,132,170,000	7,596,870,000	75	2,535,300,000	25
October	10,835	10,110,820,000	8,004,860,000	79	2,105,960,000	21
November	11,145	10,158,810,000	7,881,380,000	78	2,277,430,000	22
December	10,452	10,132,170,000	7,596,870,000	75	2,535,300,000	25

Six monthly read populations November and December only.

This table shows the number of meter points due a read in November and December and their associated AQ read and unread.

Six-monthly meter read frequency							
2014	Total number of meter points	Total popn requiring a read	AQ of meter points requiring a read	Amount of required AQ read	Percentage of required AQ read	AQ unread	Percentage of AQ unread
Nov	970,000	246,140	3,852,514,952	1,130,856,003	29	2,721,658,949	71
Dec	961,000	215,819	3,344,359,722	910,670,591	27	2,433,689,131	73

Annually read populations November and December only.

This table shows the number of meter points due a read in November and December and their associated AQ read and unread.

Annual meter read frequency							
2014	Total number of meter points	Total popn requiring a read	AQ of meter points requiring a read	Required AQ read	Percentage of required AQ read	AQ unread	Percentage of AQ unread
Nov	1,259,000	47,785	647,388,193	1,897,987	0	645,490,206	100
Dec	1,244,000	59,219	814,022,706	189,378,985	23	624,643,721	77

4. **Pareto Analysis**

Having reviewed the data it is apparent that a small number of shippers are responsible for the majority of AQ within each meter read frequency within the LDZ. The shippers differ between the monthly, six-monthly and annual meter read frequency populations.

This information may be of use to the Performance Assurance Workgroup in considering any incentive regime. Whilst performance of all Shippers is important, only a smaller number of shippers have a material impact to the risk of unreconciled energy.

4.1. **Monthly read meter points**

The following tables show the position for the monthly read population. In each month 7 shippers are responsible for 82 - 85% of the AQ and 82-90% of the unread AQ each month.

July

	Total AQ for monthly popn	Total AQ in percentage terms	AQ read in the month	AQ unread in the month	Unread as AQ % of total AQ	Percentage of unread AQ between top 7 and remainder
	10,282,590,000	100	7,793,156,914	2,489,433,086	24	
top 7	8,695,479,005	85	6,653,617,688	2,041,861,317	23	82
remainder	1,587,110,995	15	1,139,539,226	447,571,769	28	18

August

	Total AQ for monthly popn	Total AQ in percentage terms	AQ read in the month	AQ unread in the month	Unread as AQ % of total AQ	Percentage of unread AQ between top 7 and remainder
	10,191,310,000	100	6,233,643,140	3,957,666,860	39	
top 7	8,560,958,613	84	5,279,037,878	3,281,920,735	38	83
remainder	1,630,351,387	16	954,605,262	675,746,125	41	17

September

	Total AQ for monthly popn	Total AQ in percentage terms	AQ read in the month	AQ unread in the month	Unread as AQ % of total AQ	Percentage of unread AQ between top 7 and remainder
	10,132,170,000	100	7,596,868,272	2,535,301,728	25	
top 7	8,403,278,373	83	6,229,628,503	2,173,649,870	26	86
remainder	1,728,891,627	17	1,367,239,769	361,651,858	21	14

October

	Total AQ for monthly popn	Total AQ in percentage terms	AQ read in the month	AQ unread in the month	Unread as AQ % of total AQ	Percentage of unread AQ between top 7 and remainder
	10,110,820,000	100	8,004,860,770	2,105,959,230	21	
top 7	8,408,473,922	83	6,505,656,545	1,902,817,377	23	90
remainder	1,702,346,078	17	1,499,204,225	203,141,853	12	10

November

	Total AQ for monthly popn	Total AQ in percentage terms	AQ read in the month	AQ unread in the month	Unread as AQ % of total AQ	Percentage of unread AQ between top 7 and remainder
	10,158,810,000	100	7,881,375,412	2,277,434,588	22	
top 7	8,354,855,455	82	6,412,738,736	1,942,116,719	23	85
remainder	1,803,954,545	18	1,468,636,676	335,317,869	19	15

December

	Total AQ for monthly popn	Total AQ in percentage terms	AQ read in the month	AQ unread in the month	Unread as AQ % of total AQ	Percentage of unread AQ between top 7 and remainder
	10,132,170,000	100	7,596,868,272	2,535,301,728	25	
top 7	8,325,851,633	82	6,152,670,694	2,173,180,939	26	86
remainder	1,806,318,367	18	1,444,197,578	362,120,789	20	14

4.2. Six-monthly read frequency meter points

The following tables show the position for the six- monthly read population. In each month 9 shippers are responsible for 90% of the AQ and 80-90% of the unread AQ each month.

	Total AQ for six monthly read population	Total AQ required to be read in the month	AQ read in the month	AQ unread in the month	Unread as AQ % of total AQ	Percentage of unread AQ between top 8 and remainder
	15,034,970,000					
		3,852,514,952	1,130,856,003	2,721,658,949	71%	
Larger 8		3,591,721,444	1,039,715,404	2,552,006,040	71%	94%
Remainder		260,793,508	91,140,599	169,652,909	65&	6%

Table caption: **November six monthly read**

	Total AQ for six monthly read population	Total AQ required to be read in the month	AQ read in the month	AQ unread in the month	Unread as AQ % of total AQ	Percentage of unread AQ between top 8 and remainder
	15,068,730,000					
		3,344,359,722	910,670,591	2,433,689,131	73%	
Larger 8		3,102,054,497	838,989,929	2,263,064,568	73%	93%
Remainder		242,305,225	71,680,662	170,624,563	70%	7%

Table caption: **December six monthly read**

4.3. Annual meter read frequency meter points

The following tables show the position for the annual read population. In each month 9 shippers are responsible for 90% of the AQ and 80-90% of the unread AQ each month.

	Total AQ for annual read population	Total AQ required to be read in the month	AQ read in the month	AQ unread in the month	Unread as AQ % of total AQ	Percentage of unread AQ between top 7 and remainder
	18,609,300,000					
		647,388,193	1,897,987	645,490,206	99%	
Larger 7		628,493,973	1,764,767	626,729,206	99%	97%
Remainder		18,894,220	133,220	18,761,000	99	3

Table caption: **November annually read**

	December annually read					
	Total AQ for annual read population	Total AQ required to be read in the month	AQ read in the month	AQ unread in the month	Unread as AQ % of total AQ	Percentage of unread AQ between top 7 and remainder
	18,138,850,000			624,643,721	3	
		814,022,706	189,378,985	624,643,721	77	
Larger 7		791,292,728	185,801,061	605,491,667	77	97
Remainder		22,729,978	3,577,924	19,152,054	84	3