Project Nexus UNC Reconciliation Principles Workgroup - Options

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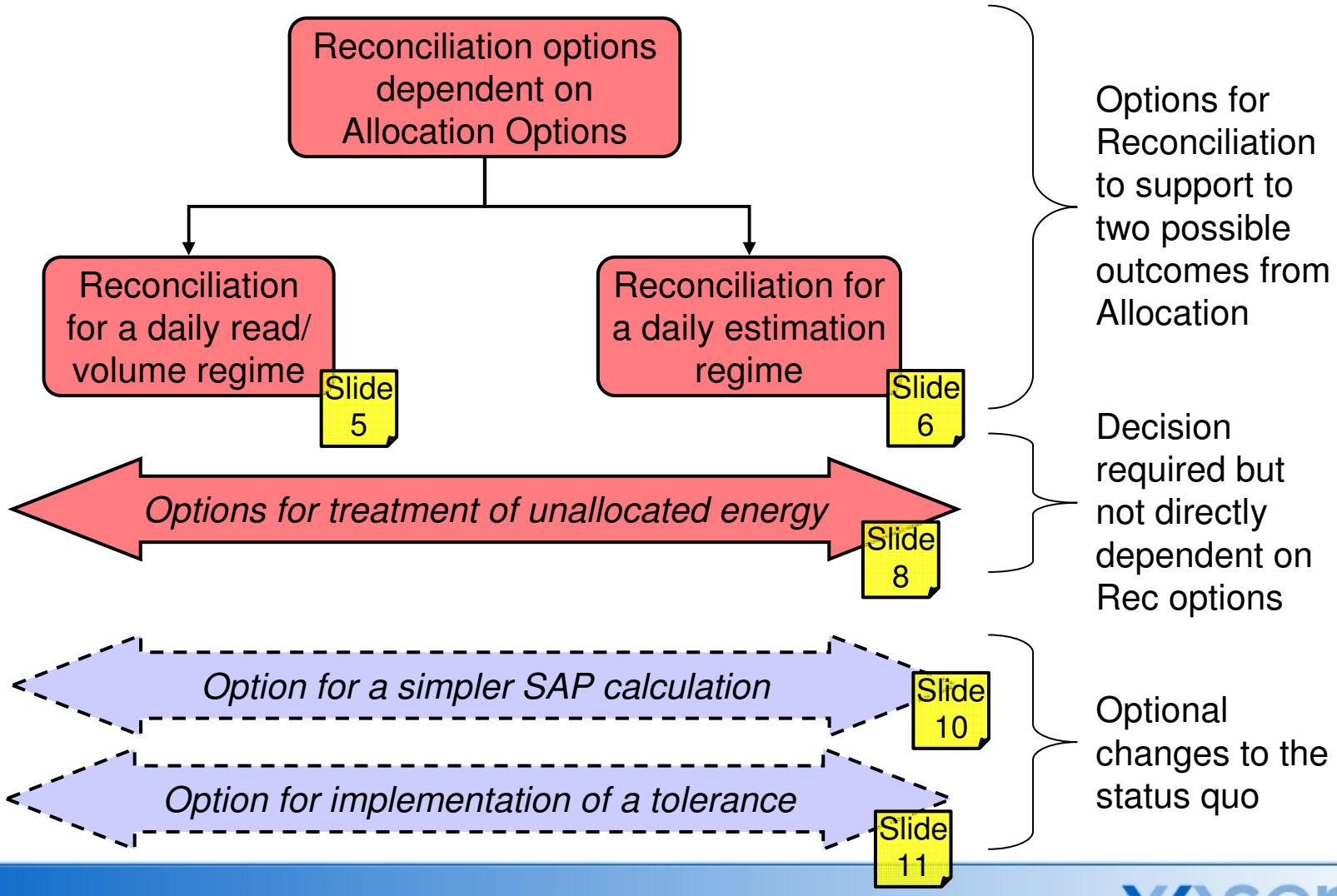
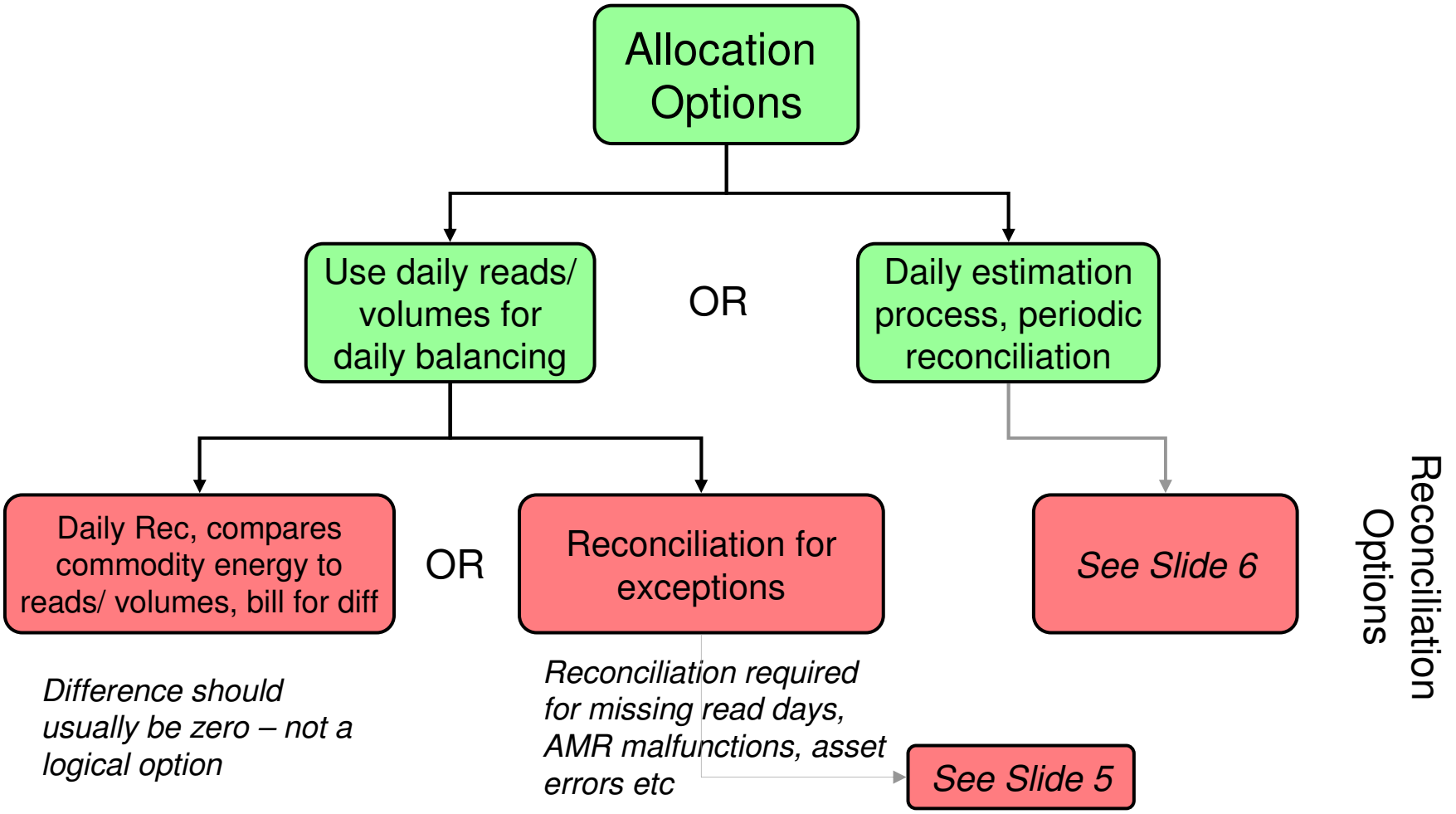
Output from the Allocation Principles Workgroup

- Preferred Option
  - Use daily reads/ volumes for energy settlement for all sites
- Alternative Solution, if dictated by CCP functionality
  - Estimate consumption for all sites each day
  - Reconcile periodically to actual reads when available
- These two options may need different Reconciliation solutions

Summary of Option Areas for Discussion

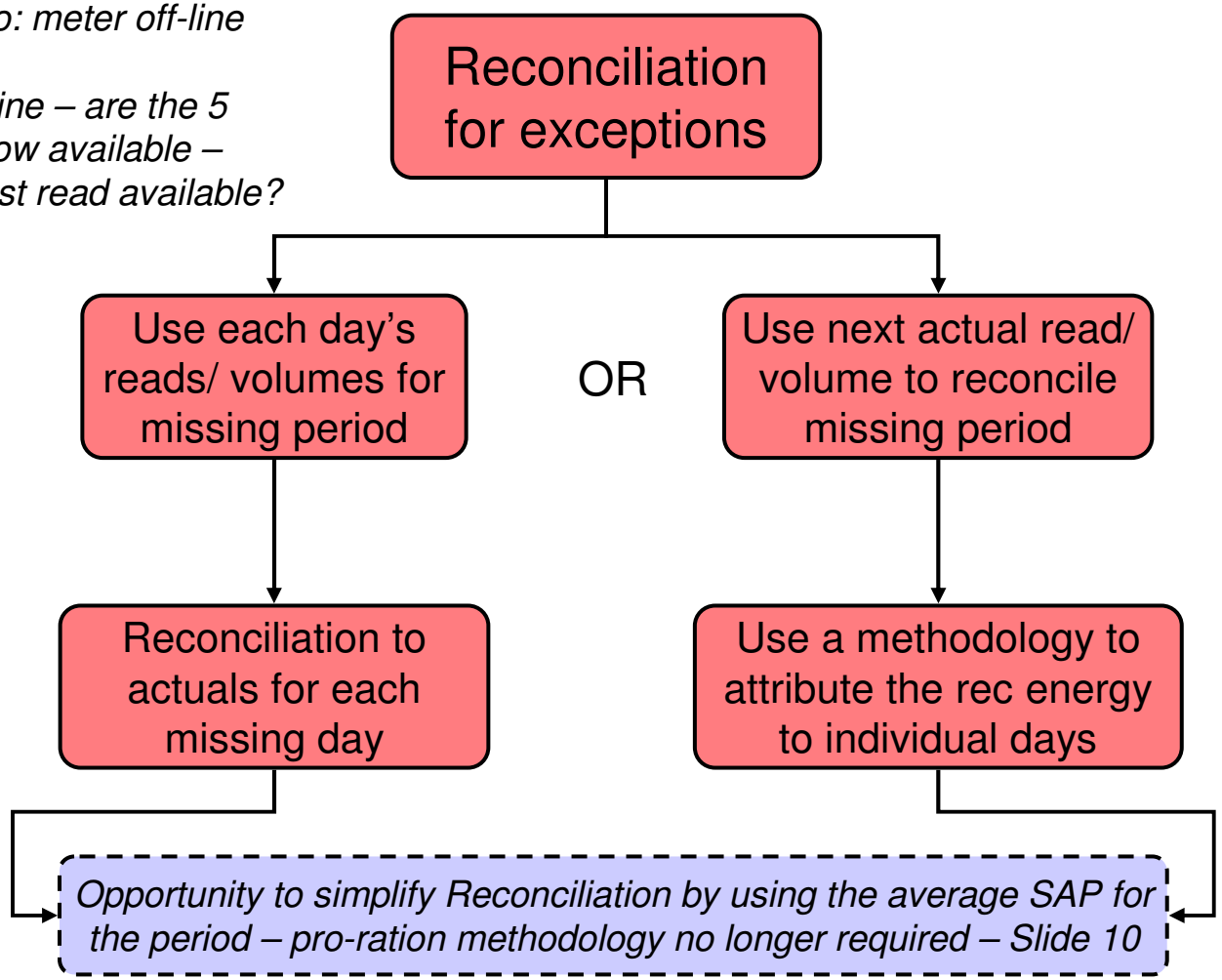


Overview of Reconciliation Option areas



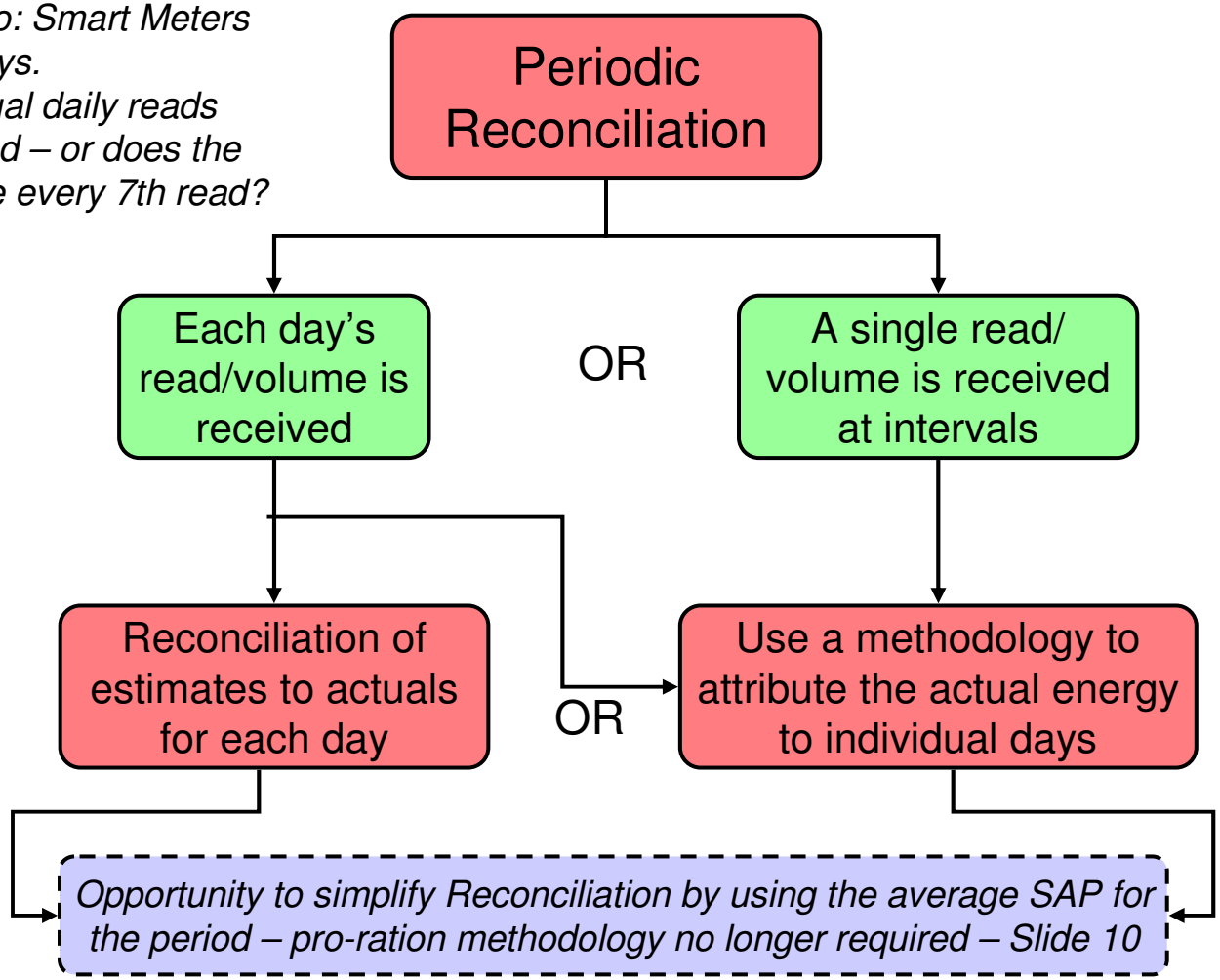
Reconciliation Options for Daily Read Regime

Example scenario: meter off-line for 5 days.
Comes back on-line – are the 5 previous reads now available – or is only the latest read available?



Reconciliation Options for Periodic Read Regime

Example scenario: Smart Meters call in every 7 days.
Are the 7 individual daily reads available/ required – or does the CCP only provide every 7th read?

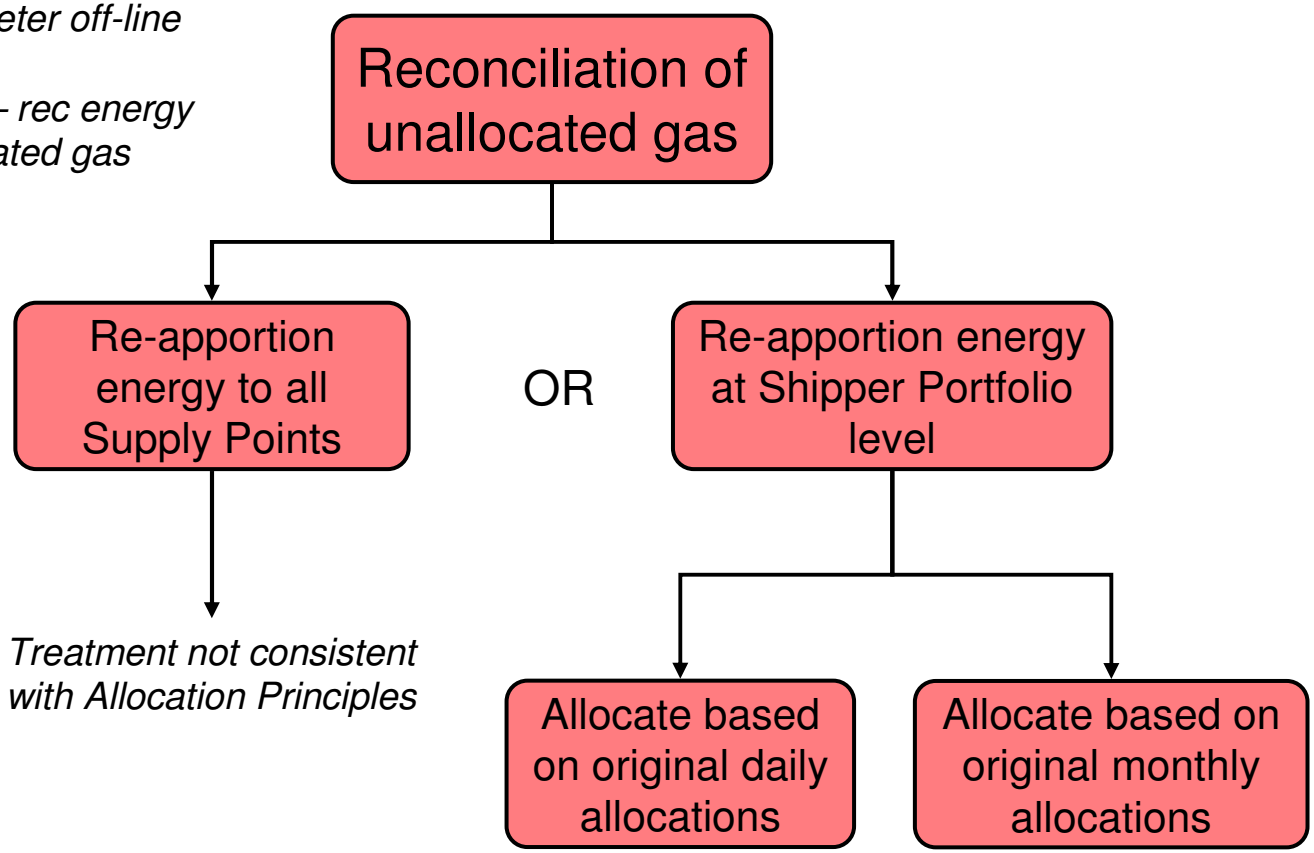


Reconciliation – Other Considerations

- Reconciliation needs a principle to account for unallocated energy
- As with Allocation, total metered volume ≠ total LDZ throughput
- Allocation principle shares unallocated energy on basis of throughput for day
- Every new reconciliation changes the balance of original allocation
- Several options for treatment of unallocated gas in reconciliation …

Reconciliation Options for Unallocated Gas

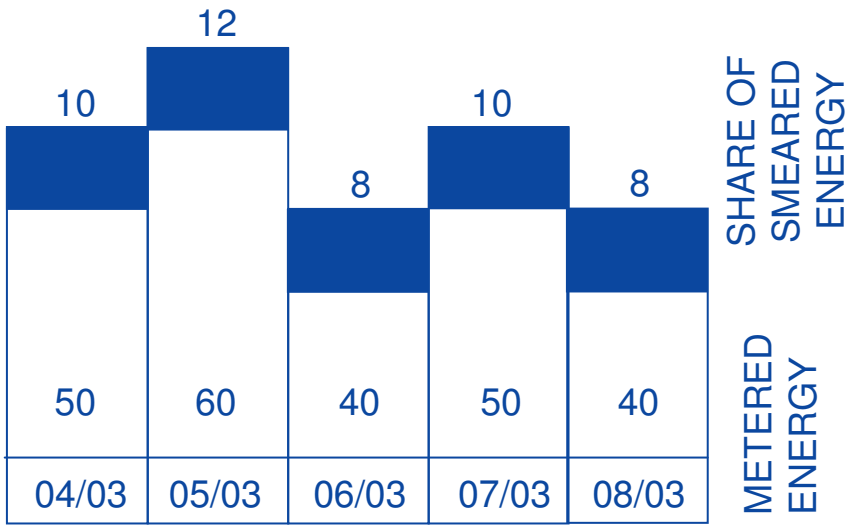
Example scenario: meter off-line for 5 days.
Comes back on-line – rec energy has changed unallocated gas position



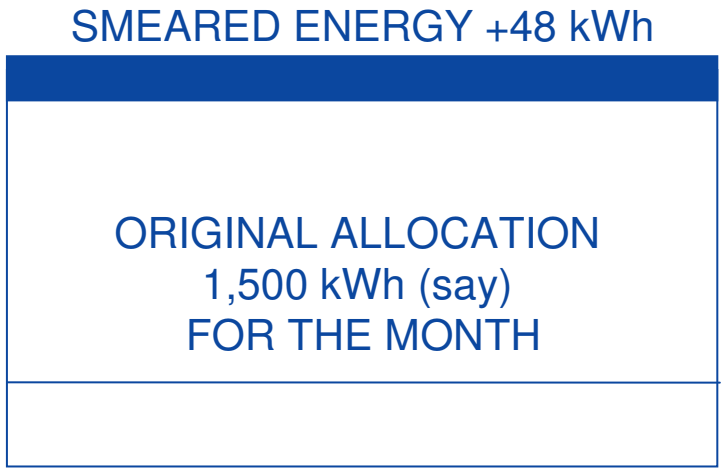
Reconciliation Options for Unallocated Gas

Example scenario: meter off-line for 5 days- 4 March to 8 March
Comes back on-line – rec energy has changed unallocated gas position

Either – amend original daily Shipper portfolio allocations

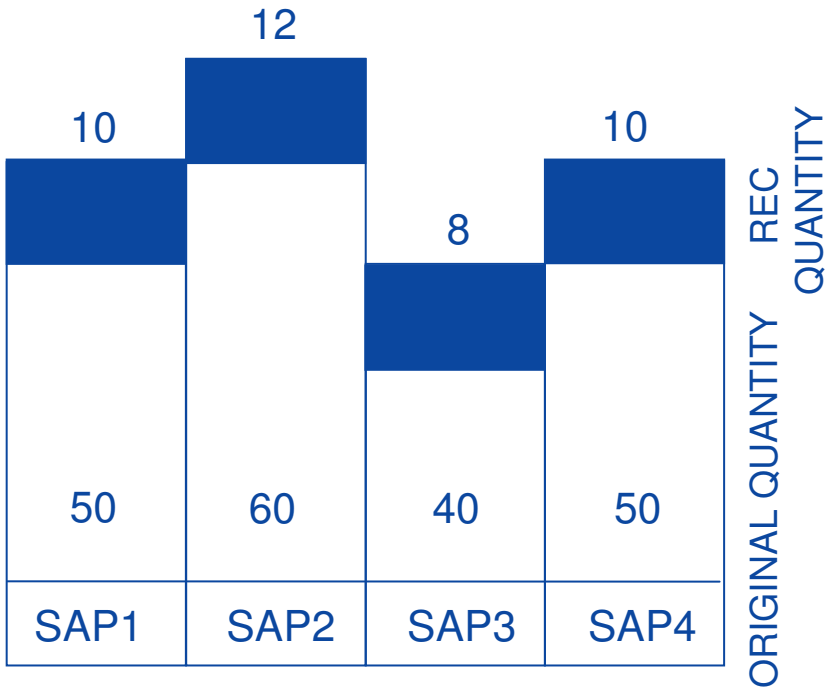


Or – attribute the energy to billing months and amend total original Shipper portfolio allocations

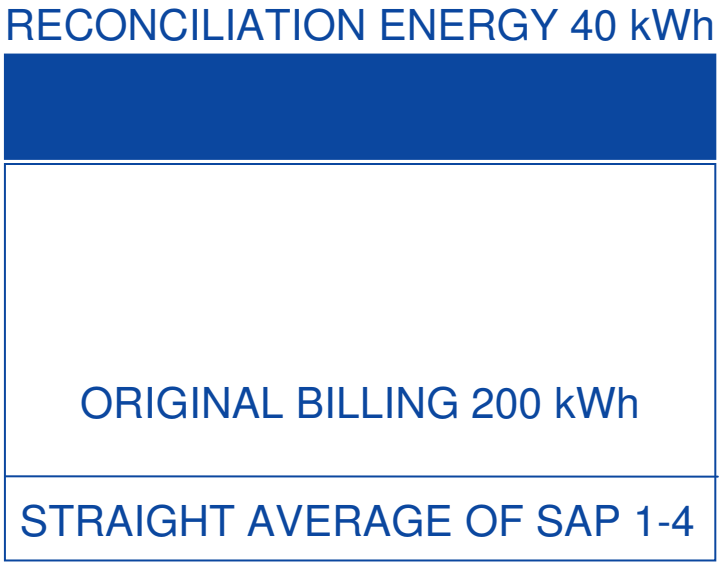


Simplified SAP Calculation

Current regime attributes actual energy to days in proportion to original allocation – this is required to know how much energy accrues each day, to apply daily SAP



Alternative Approach – calculate total energy and apply average SAP for the period



Option for Billing Tolerances

- Shippers' key requirement was removal of RbD
- Individual reconciliation amounts may be small
- DM Reconciliation currently rolls over small reconciliation differences until a threshold is reached – 100,000 kWh

- Could apply a similar solution in future regime, especially in the daily read regime
- SAP price would relate to actual rec period – store up recs until a threshold is reached
  - Thresholds could differ between consumption bands

Recap on Outcome of Discussions

- Opportunity to summarise the discussions