

xserve



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PN UNC Settlement Workgroup

19th April 2011

Background

- Issues identified at the Allocation Principle Workgroup & 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

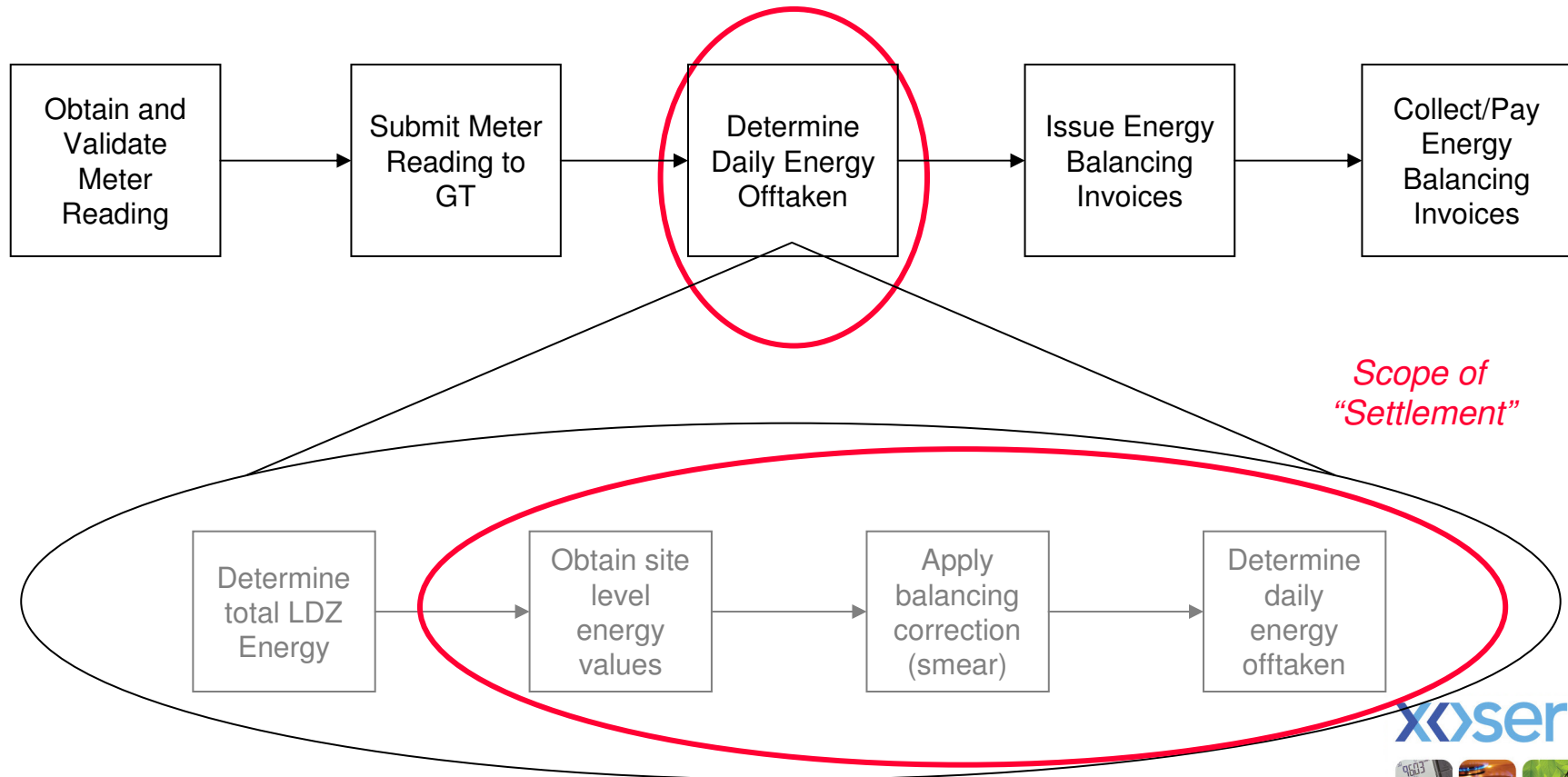
Objectives of the Workgroup

- 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
- Monitor & align with latest SMIP position



Scope of Settlement

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



*Scope of
"Settlement"*

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Approach to Settlement Workgroups

- 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. AUGE process
 - Analyse options and agree preferred way forward
 - Define benefits

Approach to Settlement Workgroups - contd

- Meeting 3 onwards

- Workplan:

- Interaction with Energy Balancing, Demand Estimation and Reconciliation
 - Estimation Methodology
 - Smearing mechanism
 - Timing of read submissions
 - Overview of read communications
 - Read validation rules
 - Treatment of missing reads
 - Incentive arrangements to encourage high submission rates and quality
 - Fallback arrangements for a succession of missing reads
 - Development of process maps

Objective for Today's Meeting

- Substantiating Information required:
 - Review future state process maps for receipt & processing of reads
 - Consider advantages/disadvantages to the draft 'to-be' processes
 - Define benefits (tangible & in-tangible)
 - Agree measurement criteria & success factors
- Detailed requirements
 - Review changes made to the Business Requirements document
 - Review & update Issues Log
 - Agreement on calculation & provision of estimated reads
 - Read obligations & incentives (Must Reads & read submission)

Business Requirements Document

- Document details 2 parallel processes for settlement arrangements for all meter points
- Key changes & agreements from the last version (0.1);
 - Reviewed & agreed 'As Is' process maps
 - Clarified drivers & goals for interim settlement arrangements
 - No requirement for record level read acceptance notification
 - Read rejections notified & a 'file' level summary