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# **Nexus Workgroup – Transition**

**2nd April 2014**

- In order to continue to discuss principals and business rules relating to transition issues, this presentation will look at:
  - USRV resolution (outstanding suppressed reconciliations)
  - USRV Incentive and Sharing Invoice Process
  - Moving from RBD to Meter Point Reconciliation



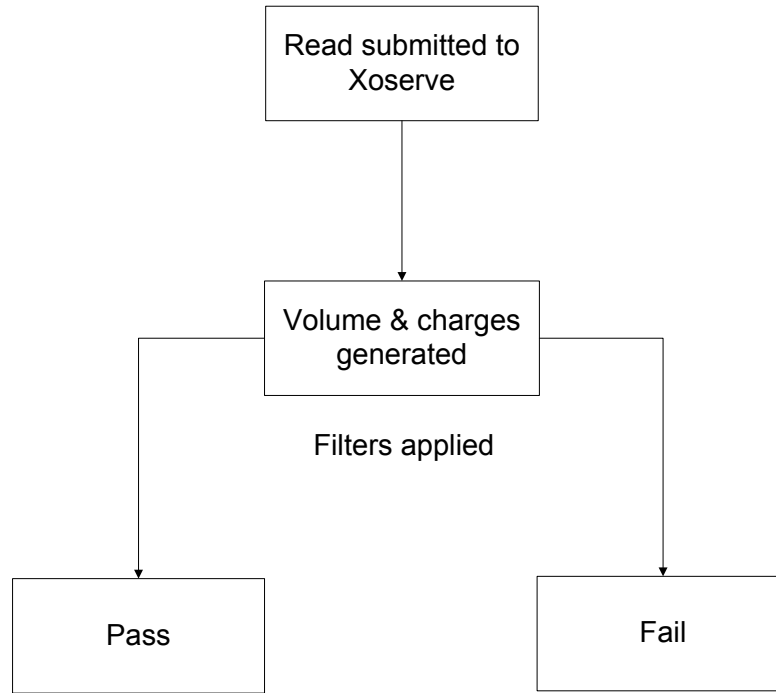
# Transition: USRV Process

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# USRV Process Flow - Stage 1

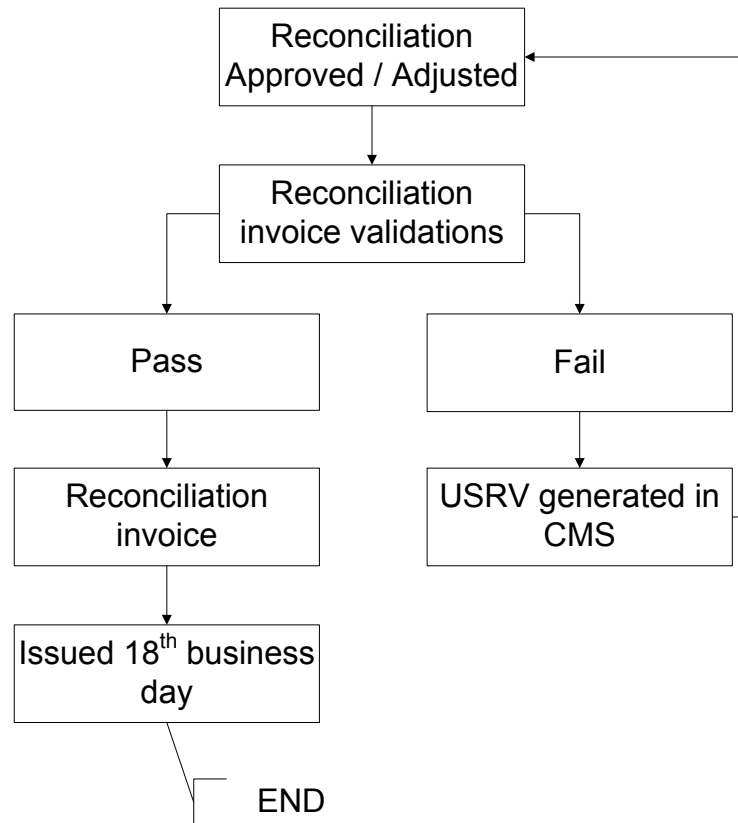


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# USRV Process Flow - Stage 2



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# USRVs – Incentive Regime

<b>Month USRV Created</b>	21/01/13 to 20/02/13					
<b>If USRV still at AASH status on these dates:</b>	<b>20/02/2013 (M)</b>	<b>20/03/2013 (M+1)</b>	<b>20/04/2013 (M+2)</b>	<b>20/05/2013 (M+3)</b>	<b>20/06/2013</b>	<b>20/07/2013</b>
<b>The following performance levels must be achieved to avoid incentive payments</b>						
<b>Normal</b>	Not chargeable	Target 50%	Target 95%	No charge at M+3	100%	100%
<b>Extra time</b>		Not chargeable	Not yet chargeable	Target 95%	No charge at M+3	100%

- USRV Period runs from 21<sup>st</sup> of one month to the 20<sup>th</sup> of the following month
- Charges are based on number of outstanding contacts at AASH and length of time outstanding at that status
- Extra time is given when a shipper receives more than 150% of their average, compared to the previous 6 months and the increase is greater than 20 USRV's

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# USRVs – Incentive Regime

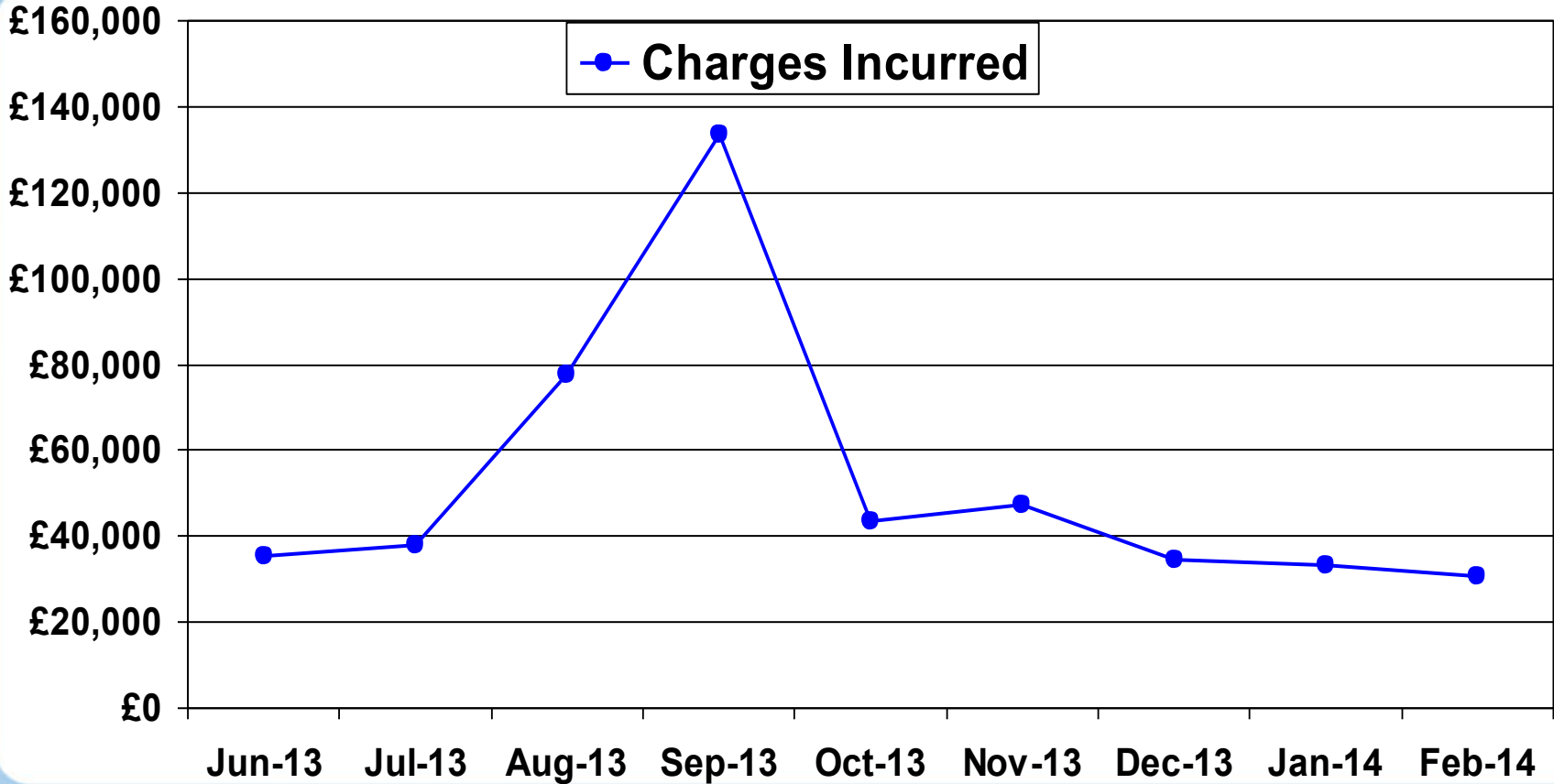
- Items that fail the 95% standard are charged at £20 each
- Items that fail the 100% standard are charged at £30 each
- Incentive charges continue until USRV is 30 months old when Xoserve take responsibility for resolution as a User Pays service
- USRVs cease upon implementation of new UK Link
- Agreement required on how to close out the USRV process as efficiently as possible

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# USRV Incentive Charges



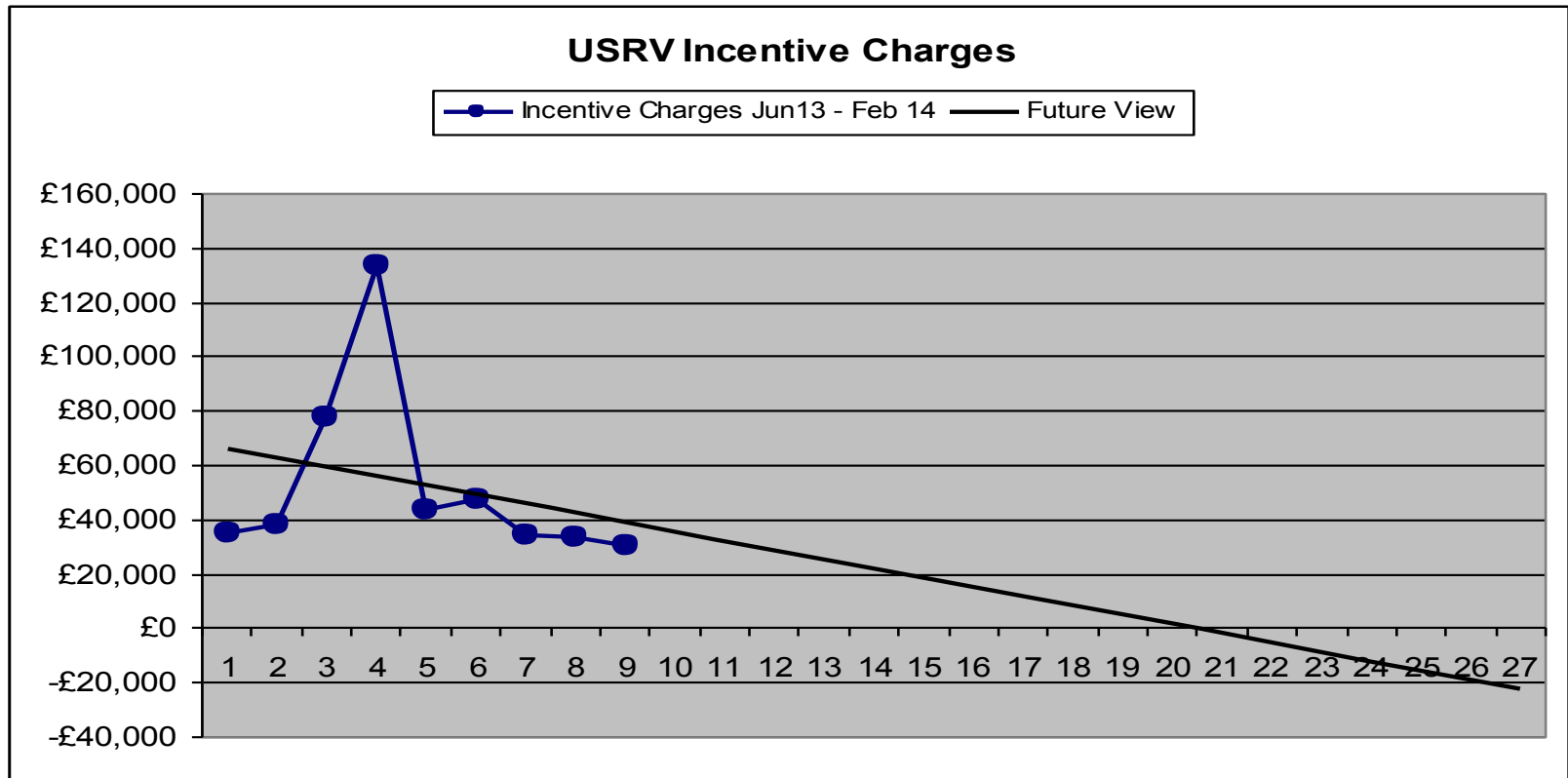
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# USRV Incentive Charges – The Future

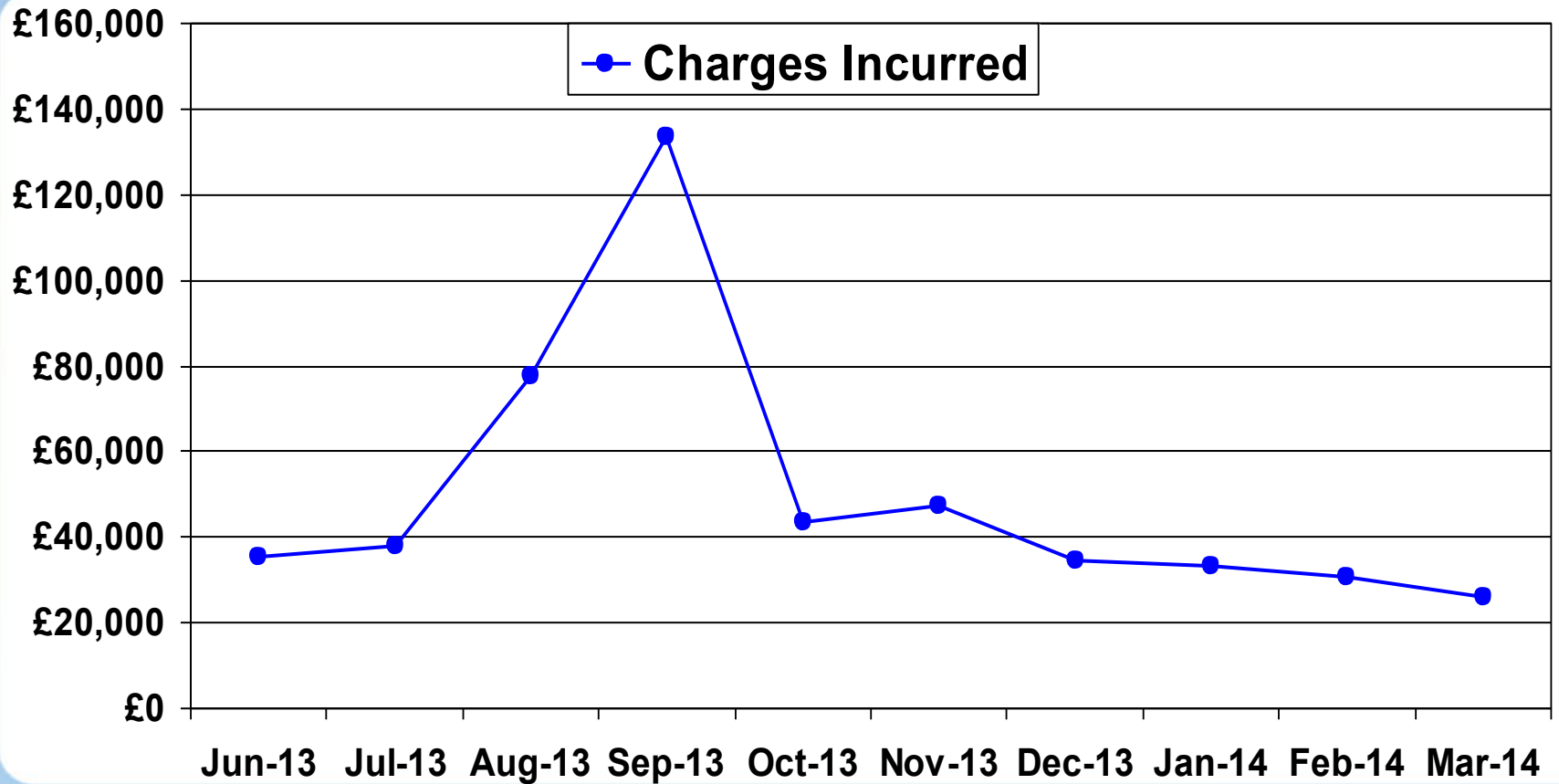


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# USRV Incentive Charges

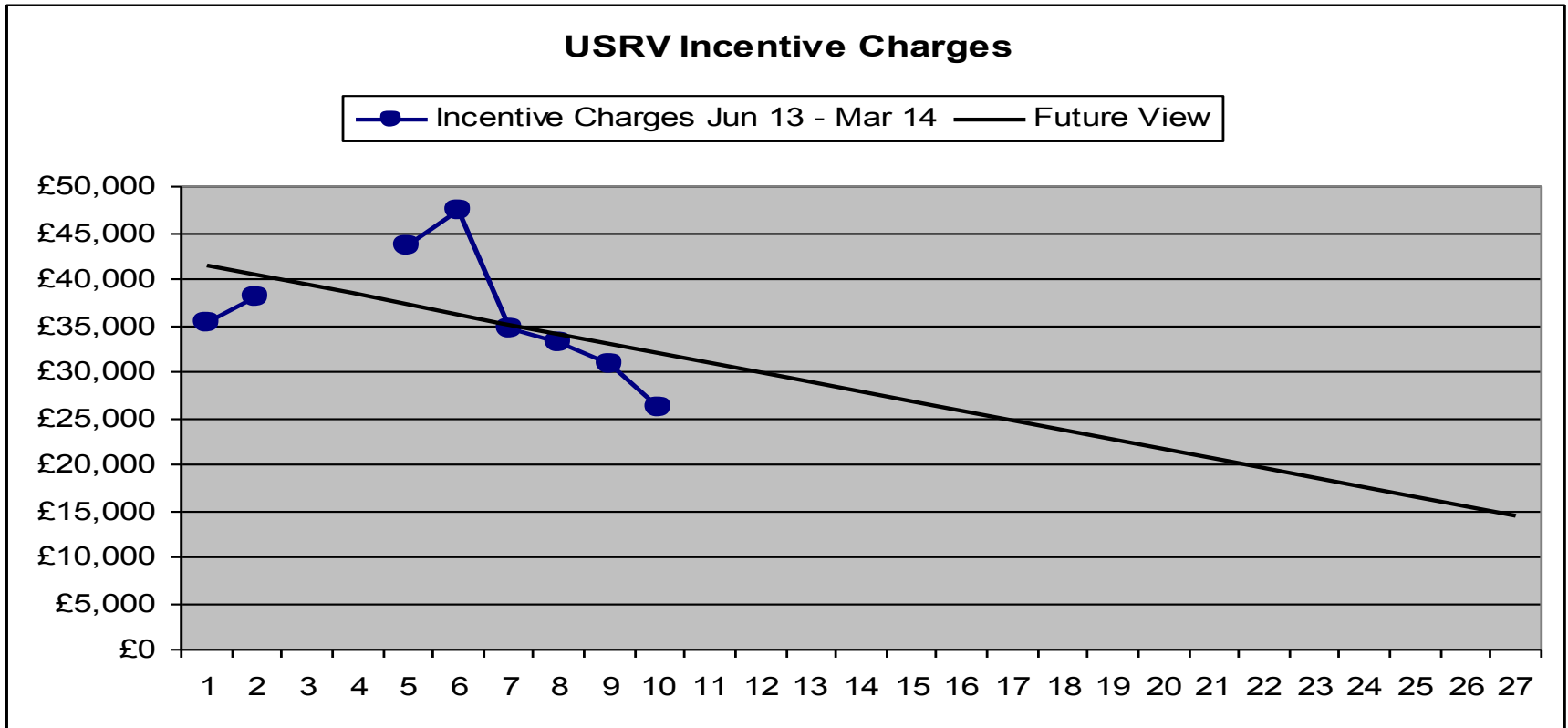


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# USRV Incentive Charges – The Future



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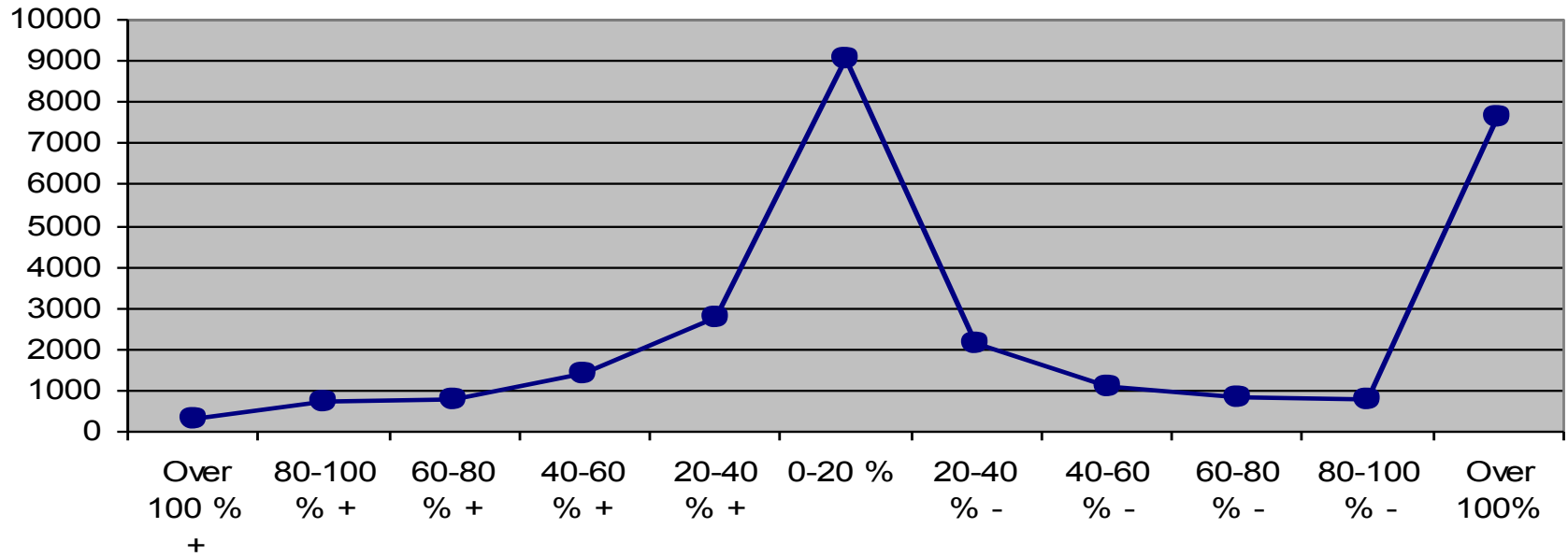


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# USRV Resolution vs. Allocation

## Consumption Adjustments & Allocation

—●— No of variances



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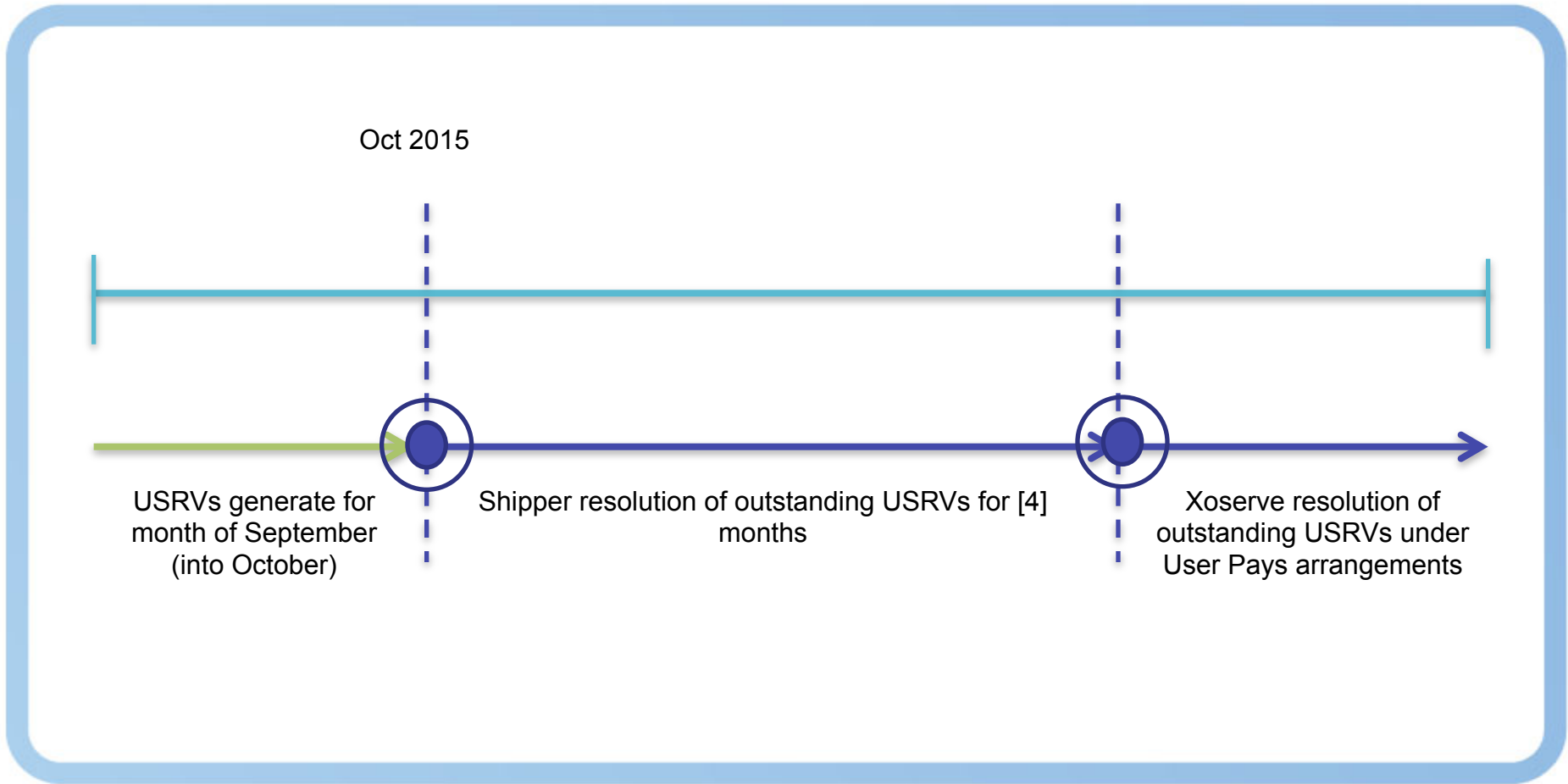
# Transition: USRV Resolution

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# Route 1: Xoserve Resolution



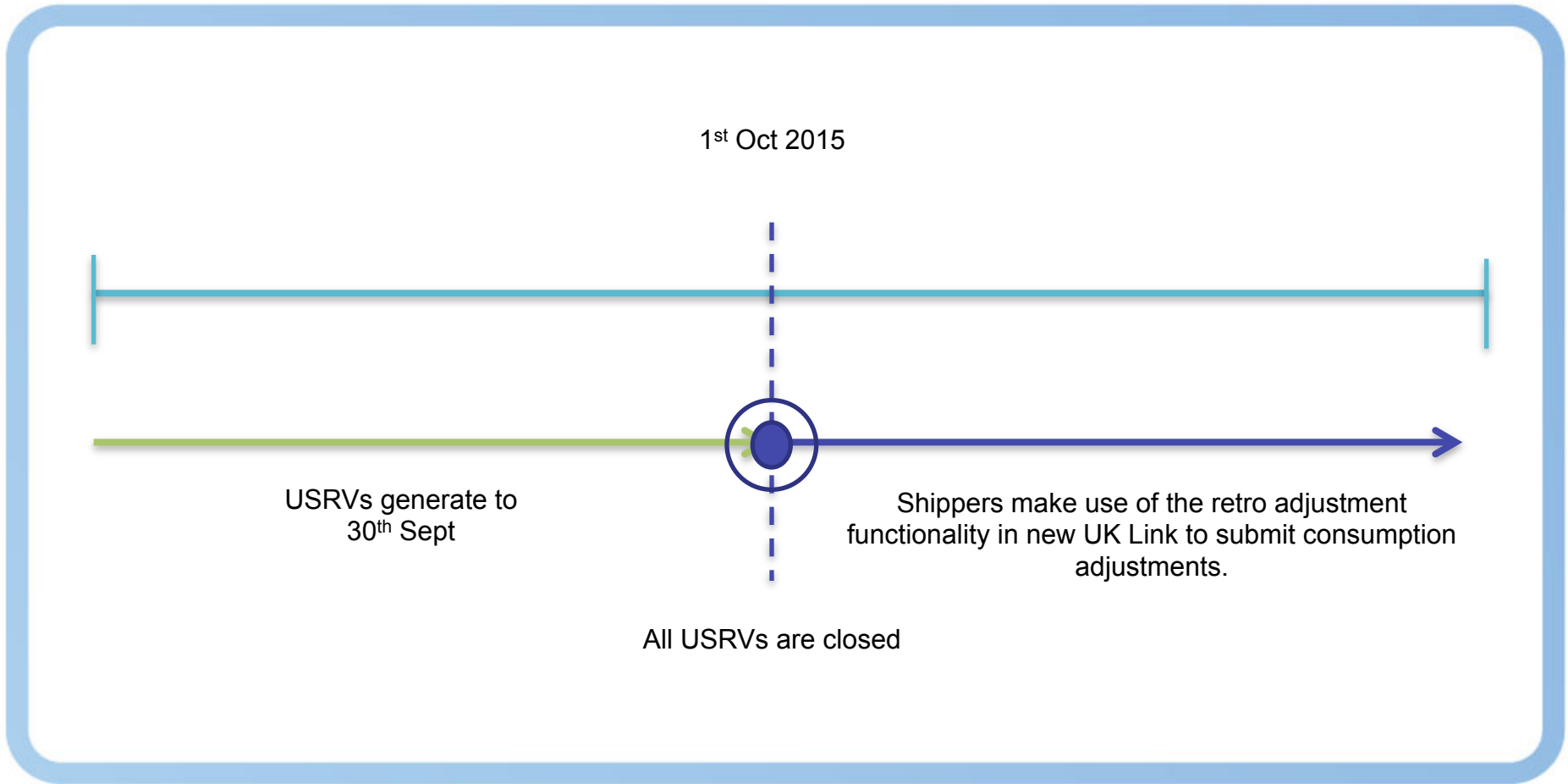
•USRV generation closes with the implementation of new UK Link, outstanding USRVs may be worked by Shippers for a defined period. All incomplete USRVs will then be actioned by Xoserve as a User Pays service.

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# Route 2: Consumption Adjustments



USRV generation closes with the implementation of new UK Link, USRVs are closed. Shippers may then use new UK Link functionality to perform consumption adjustments and/or replace the last read on an MPRN.

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- All routes are based on the assumptions that:
- Unresolved USRV triggering reads will be flagged as suspect for data migration and will therefore be suspended from use in any downstream processes (i.e. AQ)
- The volume of USRVs will decrease over the next 18 months through active management (it is not expected the USRVs will cease)





# Transition: USRV Incentive & Sharing Invoice

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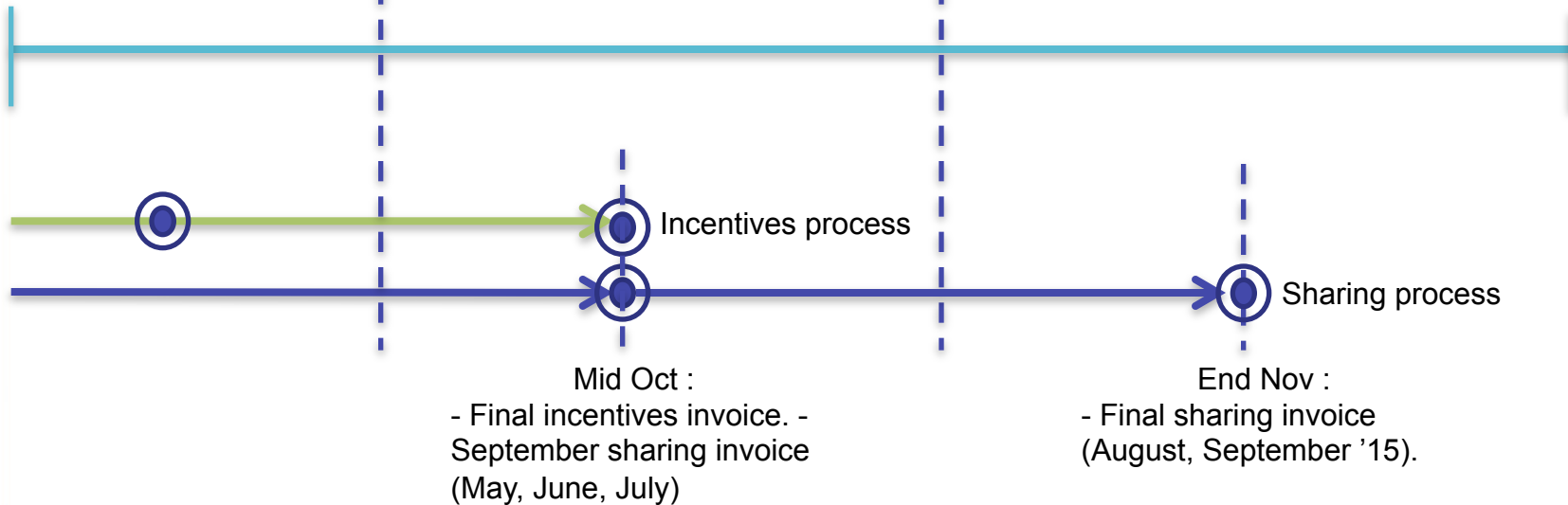
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# Invoicing: Incentives and Sharing

USRVs  
generated for  
month of  
September

Oct 2015

1<sup>st</sup> Nov 2015



•The above option represents a close out of the Incentives and Sharing regime following implementation.

•It should be noted that the Sharing process cannot be closed until the month following the final Incentives invoice.

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# Transition: RBD to Meter Point Reconciliation

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# Unidentified Gas Reconciliation (UGR) Mechanism

- Following the Go Live in 1<sup>st</sup> Oct 2015,
- The RbD pot (based on SSP AQ market share) will be a moving 12 months pot
  - This pot will be redundant after one year from the Go live date.
- The New UGR pot (based on throughput share) will commence from Go Live date
  - This pot will grow each month until 12 months after which it becomes a 12 month rolling pot
- The Small Supply Point (SSP) market share will be derived based on the current AQ for the relevant month i.e. month before go live will use annual AQ and month after go live will use rolling AQ.
- Opposite effect of the primary reconciliations will be as follows:-
  - Reconciliations pre Go live date (LSP only) will be apportioned to the moving RbD pot
  - Reconciliations post go live date (SSP & LSP) will be apportioned to the new UGR pot
  - Reconciliations spanning Go Live date will be separated by the variances to be treated for apportionment accordingly

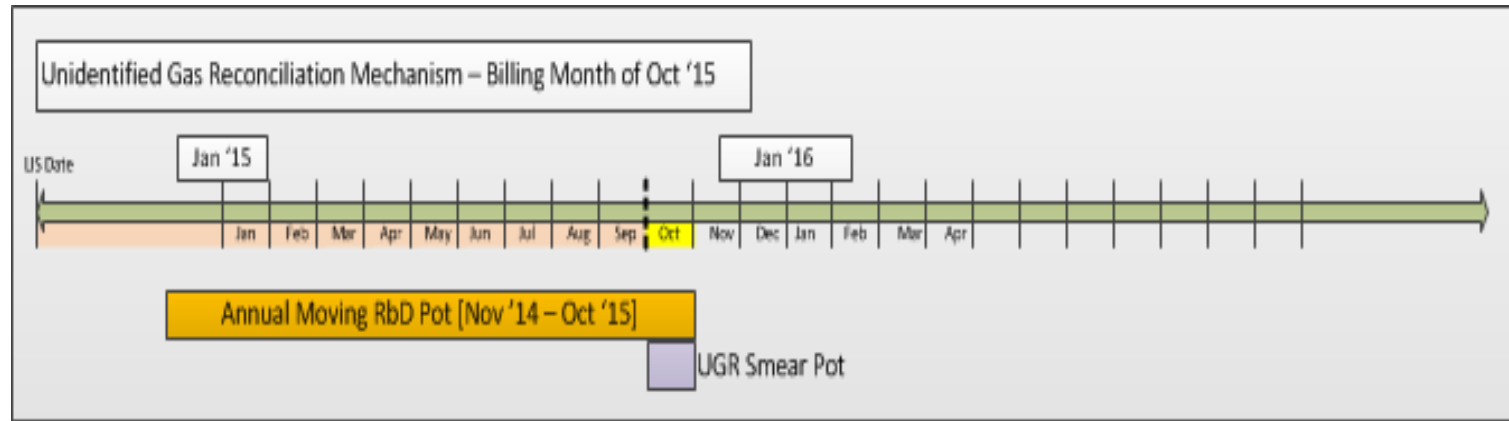
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# Unidentified Gas Reconciliation (UGR) Mechanism - Example

Billing Month of Oct '15



- The moving RbD Pot will be for the period covering Nov '14 to Oct '15
  - The energy and the financial values will be smeared across each month in the pot
  - The UGR pot will commence as a one month pot to consider all reconciliations after the Go Live date

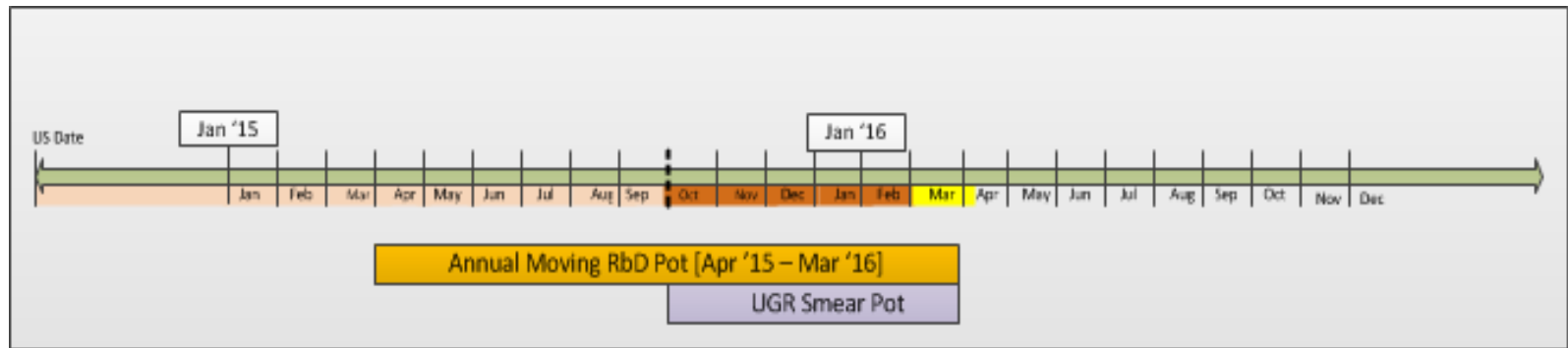
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# Unidentified Gas Reconciliation (UGR) Mechanism - Example

Billing Month of Mar '16



- The moving RbD Pot will be for the period covering Apr '15 to Mar '16
  - The energy and the financial values will be smeared across each month in the pot
- The UGR pot will be 6 month pot to consider all reconciliations after the Go Live date

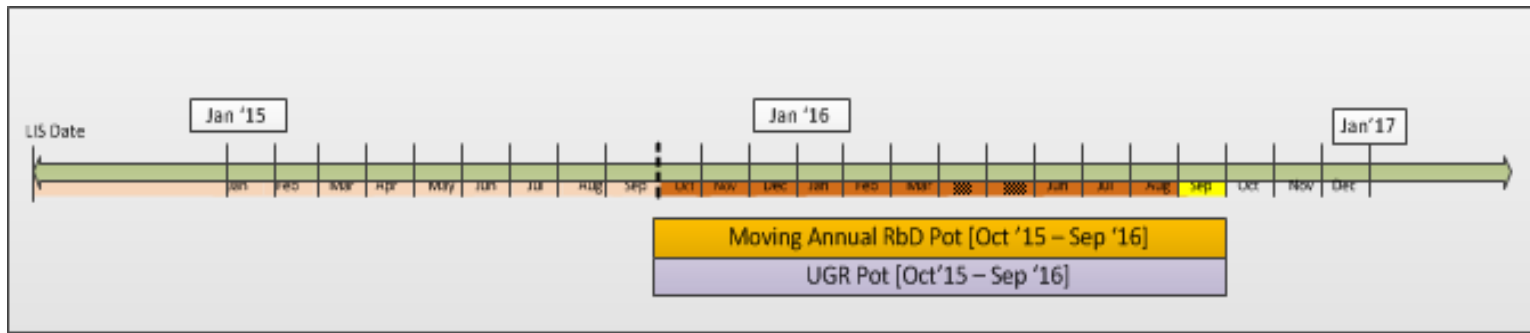
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# Unidentified Gas Reconciliation (UGR) Mechanism - Example

Billing Month of Sep '16



- The moving RbD Pot will be for the period covering Oct '15 to Sep '16
  - The energy and the financial values will be smeared across each month in the pot
- The UGR pot will be the 12 month pot now to consider all reconciliations after the Go Live date

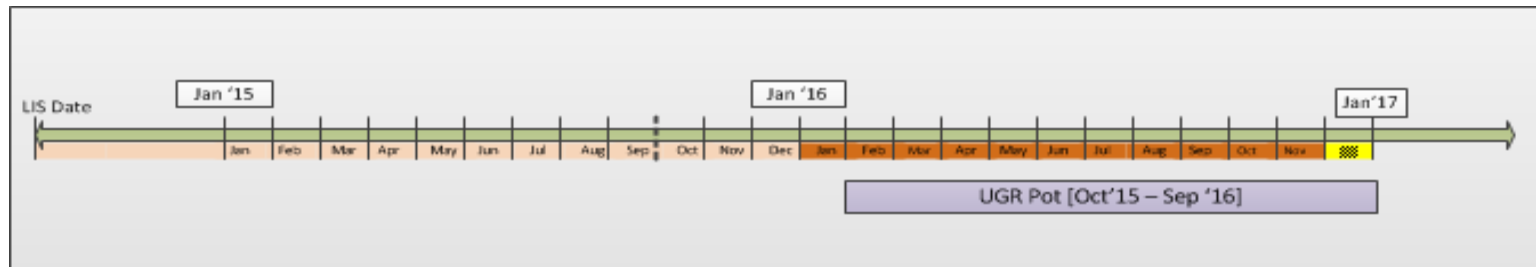
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# Unidentified Gas Reconciliation (UGR) Mechanism - Example

Billing Month of Oct '16



- The moving RbD Pot is redundant from this month onwards ( One year completed)
- The UGR pot will be a only 12 month rolling pot now to consider all reconciliations after the Go Live date

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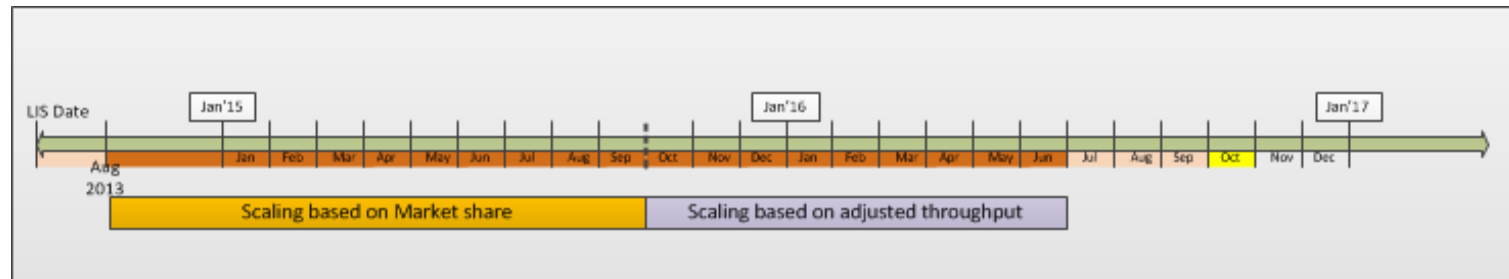


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# LDZ Reconciliation - Apportioned over the reconciliation period

Billing Month of Oct '16; Error period – Aug '13 to Jun '16



- The Energy (RQ) and the financial values associated with the variance(s) prior to the Go Live date will be apportioned based on RbD rules on SSP Market share
- The Energy (RQ) and the financial values associated with the variance(s) on or after the Go live date will be apportioned based on the throughput values according to the new rules

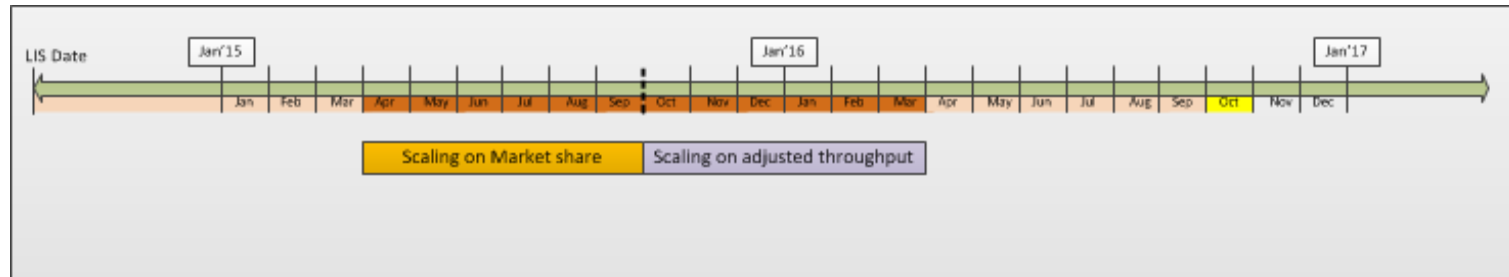
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# LDZ Annual Shrinkage- Apportioned over the Previous financial year

Billing Month of Oct '16; Financial Year Period – Apr '15 to Mar '16



- The Energy (RQ) and the financial values associated with the variance(s) prior to the Go Live date will be apportioned based on RbD rules on SSP Market share
- The Energy (RQ) and the financial values associated with the variance(s) on or after the Go live date will be apportioned based on the throughput values according to the new rules

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