

# NETWORK CODE RECONCILIATION SUPPRESSION GUIDELINES

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## Document Control

Version	Date	Reason for Change
<a href="#">5.0</a>	<a href="#">April 2017</a>	<a href="#">Updated following Mod 0565 and FGO. Certain activities are now performed by the Central Data Service Provider (CDSP).</a>
4.0	August 2006	Format revision – Headers, Footers, Title Page, Content Page and corresponding sections, re-location of document control
3.3	15 April 2005	Changes to accommodate DN Sales
3.2	1 March 2005	Changes to align with Network Code Modification 0637 (Financial Incentive Performance Regime for USRVs) Amended to Version 3.2
3.1	23 July 2004	Changes to align with Network Code Modification 0673 (RGMA Changes) Amended to Version 3.1
3.0	1 July 2003	Changes to definitions and targets. Amended to Version 3.0
2.0	9 May 2002	Guidelines unchanged.
	6 July 2001	Amended to Version 2.0

## Development of the Guidelines

1. The requirement to publish Network Code Reconciliation Suppression Guidelines is specified in Section E8.1.2 of the Transportation Principal Document (TPD) of the Uniform Network Code (UNC). This section also provides for the document to be revised from time to time. The provision reads<sup>1</sup>:

“Those Reconciliation Values in respect of which this paragraph 8 will apply (Reconciliation Values that have been **"Suppressed"**, being Suppressed Reconciliation Values and User Suppressed Reconciliation Values) shall be identified in the **"Network Code Reconciliation Suppression Guidelines"**, the document so entitled, prepared, published and revised (subject to prior approval by Panel Majority of the Uniform Network Code Committee) from time to time by the Transporter (in consultation with Users).”

2. The Guidelines set out below meet the Transporter’s obligation to prepare guidelines, while the Document Control Section records changes which have been made to the guidelines. The document is published on the Joint Office of Gas transporters website, [www.gasgovernance.co.uk/tpddocs](http://www.gasgovernance.co.uk/tpddocs).
3. The Transporters would welcome comments from Users on the published document at any time, which should be sent to [enquiries@gasgovernance.co.uk](mailto:enquiries@gasgovernance.co.uk). In accordance with the UNC, the Transporters will put any revisions they propose should be made to the document to the Uniform Network Code Committee for approval.

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<sup>1</sup> Correct as at 1 April 2006, Version 2.02 of the UNC.

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## 1.0 Summary

- 1.1. The Network Code Reconciliation Suppression Guidelines (the “Guidelines”) detail the validation (suppression) criteria for NDM and DM Reconciliation Values and the industry (Transporters, User and CDSP) processes and performance standards for managing the investigation and resolution of values which fail the prescribed tolerances.
- 1.2. The Guidelines reproduce and explain certain terms used in the Uniform Network Code (UNC). For the avoidance of doubt, in the event of any conflict between these Guidelines and the UNC, for example as a result of modification of the UNC, the UNC takes precedence over these Guidelines.
- 1.3. The Guidelines set out the rules summarised below:
  - (i) The Transporters are responsible for the validation of all Individual Meter Point Reconciliation Values in accordance with the criteria detailed in Sections 3 (NDM) and 5 (DM) below.
  - (ii) The CDSP is responsible for the investigation, resolution and subsequent release of suppressed Reconciliation Values generated from Daily Reads and Must Reads (Reconciliation Values generated from readings obtained under Sections M3.6 and M4.1 of the UNC – TPD), except where a CDSP identifies that in its reasonable opinion the Suppressed Reconciliation Value has arisen as a result of the Meter Information held on the Supply Point Register being incomplete, out of date or otherwise incorrect (unless the Suppressed Reconciliation Value relates to a meter at a Unique Site, excluded from RGMA).
  - (iii) Users are responsible for the investigation and resolution of all other suppressed Individual Meter Point Reconciliation Values. Note: The CDSP will conduct an initial investigation of such values prior to their submission to Users.
  - (iv) The timeliness of investigations and resolution are subject to performance targets, which are set out in Section E8 of the UNC – TPD.

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## 2.0 Introduction, Context and Definition of Terms

- 2.1. Criteria have been agreed as to how to validate Reconciliation Values prior to invoicing them on the Reconciliation invoice.
- 2.2. Where a Reconciliation Value was generated from a meter reading obtained under M3.6 or M4.1 of the TPD of the UNC (Must Reads or Daily Metered readings), and that value fails the validation checks, it becomes a Suppressed Reconciliation Value (SRV). With the exception of meters at Unique Sites excluded from RGMA, where the CDSP identifies that in its reasonable opinion the SRV has arisen as a result of the Meter Information held on the Supply Point Register being incomplete, out of date or otherwise incorrect, the SRV will be re-classified as a User Suppressed Reconciliation Value (USRV).
- 2.3. Reconciliation validation failures generated from meter readings obtained under arrangements other than those covered by M3.6 or M4.1 and those re-classified under 2.2 above are termed User Suppressed Reconciliation Values (USRVs).
- 2.4. The responsibilities for investigating SRVs and USRVs are stated in Section E8.1 of the TPD of the UNC and Section 4 of these Guidelines.
- 2.5. Reconciliation Values are validated against tolerances detailed in these Guidelines.
- 2.6. The tolerances are set with a view to maximising the suppression of values generated from erroneous data and minimising the suppression of valid values.
- 2.7. There are separate provisions for DM and NDM Reconciliation processes.
- 2.8. Appendix A is a process flow diagram of the creation and validation of NDM Reconciliation Values.

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### 3.0 NDM Suppression Criteria

#### 3.1. NDM Reconciliation Charge Filter

NDM Reconciliation Values must be suppressed where one or more charges within the reconciliation period exceeds the following tolerances:

Supply Point AQ Band (kWh)	Daily TRE charge (debit or credit) £
73,200 - 292,999	5
293,000 - 731,999	5
732,000 - 2,195,999	10
2,196,000 - 5,859,999	15
5,860,000 - 14,649,999	20
14,650,000 - 29,299,999	20
29,300,000 - 58,599,999	20
58,600,000 +	20

- 3.2. In addition to the above financial tolerances, any Reconciliation Value where the underlying consumption is negative, with the exception of those immediately following an estimated transfer reading and those with compensating re-reconciliations and/or consumption adjustments, will be suppressed.

## 4.0 Responsibilities and Performance Targets for Investigation

4.1. SRVs and USRVs shall each initially be analysed by the **CDSP** and will be released, where possible, to either the originally destined reconciliation invoice or a subsequent one.

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4.2. The initial investigation by the **CDSP** shall be to confirm that the SRV or USRV has been calculated correctly and to determine, as far as is reasonably practicable, whether the consumption underlying the Reconciliation Value is valid.

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4.3. For SRVs the **CDSP** will conduct the full investigation (i.e. where the consumption is questionable, the Transporters will be responsible for its validation). Where appropriate Users shall provide support, for example in assisting the Transporters to obtain access to premises to obtain meter readings. With the exception of meters at Unique Sites excluded from RGMA, where, following an investigation of the consumption and associated meter readings, the **CDSP** identify that in its reasonable opinion an SRV has arisen as a result of the Meter Information held on the Supply Point Register being incomplete, out of date or otherwise incorrect, the SRV shall be re-classified as a USRV and passed to the User in the normal way.

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4.4. For USRVs, where from the initial investigation **the CDSP** is unable to establish the validity of the consumption associated with the Reconciliation Value, the USRV will be passed, with relevant data, to the User for investigation of the data underlying the consumption. The User will investigate the validity of the underlying data and notify the **CDSP** either to release the USRV or to process a re-reconciliation, enabling the USRV to be released with a compensating adjusted consumption

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4.5. Where an adjustment charge is required due to erroneous base data, the amended base data will be provided by the User or the Transporter as appropriate and the adjustment will be processed by the **CDSP**.

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4.6. Performance targets for SRVs:

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The targets are defined in the TPD of the UNC Section E8.2.

4.7. Performance targets for USRVs:

(i) The **CDSP** initial investigation:

For all NDM Reconciliation charges created where their destined invoice is the invoice for month X, the **CDSP** shall carry out an initial investigation and, where necessary, send USRVs to Users by the 20th of month X + 1.

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(ii) User investigation, resolution and response:



For all USRVs received from the CDSP between the 21st of month X and the 20th of month X + 1 (inclusive), each User shall provide a bona fide response to the CDSP as follows:

- 50% by the 20th of month X + 2
- 95% by the 20th of month X + 3
- 100% by the 20th of month X + 5

Users will deal equitably with USRVs, investigating and resolving all items in a consistent manner, regardless of whether the item has a debit or credit suppressed value or will result in a debit or credit reconciliation.

A financial incentive regime for the 95% and 100% targets was introduced on 21 February 2005. The targets and payment levels are included in Section E8.3, UNC TPD.

(iii) *Definition of bona fide:*

A bona fide response is defined as either an approval of a suppressed item or a request to adjust a suppressed item, submitted in good faith, in the correct format to be loaded to the CDSP system. Inclusion on an invoice is not a requirement: an adjustment request that caused a further suppression would still be classified as bona fide.

(iv) Approval and/or adjustment by the Transporter:

The Transporters shall issue relevant Reconciliation charges on the next available Reconciliation invoice. For bona fide responses received from Users up to the last day of any month, the related charges will normally be invoiced on the Reconciliation invoice for that month, or else the CDSP will notify of further suppression by the invoice issue date.

Note: Where the numbers of filter failures passed to a User in a given month increases by 50% or more compared to the average number for the previous six months and the increase is more than 20 filter failures, the targets under (ii), above, shall be amended for that month to 50% by the 20<sup>th</sup> of month X + 3, 95% by the 20th of month X + 4 and 100% by the 20th of month X + 6.

#### 4.8. Monitoring and reporting of performance

Performance reporting of the Transporters and Users shall be made available to the Billing Operations Forum by the CDSP. The reporting will show performance in clearing SRVs and USRVs and the outstanding workload with age analysis.

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## 5.0 DM Reconciliation Values

A different quality control framework supports the DM process to reflect the fact that:

- the DM process is a daily process where readings flow automatically from site to the Transporters system;
- there are 2,000 (approx) DM meter readings each day which is sufficiently small a number to allow a 100% validation process;
- the potential Reconciliation Value is large.

### 5.1. Individual DM Meter Point Validation

On a daily basis the Transporters receive the daily readings for DM Supply Meter Points **and these are provided to the CDSP**. Each reading is individually validated in order to verify its consistency with the daily read history for the Supply Meter Point. Specific validation checks include:

- a) Reconciliation Values derived from a Reconciliation Quantity where there is  $\pm 10\%$  variance between the actual and estimated quantity.
  - b) Reconciliation Values derived from a DM Check Read that produces a Reconciliation Quantity where there is  $\pm 1\%$  variance (i.e.  $\pm 1\%$  “drift”).
  - c) Reconciliation Values derived from base data that has been subjected to a consumption adjustment by the Transporters (i.e. a quality check to ensure that the quantity has mapped properly through into the billing process).
  - d) Reconciliation values derived from base data affected by a corrector or datalogger exchange recorded on the Supply Point Register.
- 5.2. Each value is individually investigated and will be released, where possible to either the originally destined Reconciliation Invoice or a subsequent one. Where an adjustment is required to an incorrect charge, the correction will be made through either a re-reconciliation on the Reconciliation Invoice or via the Ad-hoc Invoice.
- 5.3. With the exception of meters at Unique Sites excluded from RGMA, where a Transporter identifies that in its reasonable opinion an SRV relating to a DM Supply Meter Point has arisen as a result of the Meter Information held on the Supply Point Register being incomplete, out of date or otherwise incorrect, the Reconciliation shall be passed to the User for investigation and re-classified as a DMUSRV (Daily Metered User Suppressed Reconciliation Value). The User shall respond either confirming that the value has been investigated and can be released or detailing the adjustment required to the Reconciliation.
- 5.4. DMUSRVs are subject to the same Performance Targets as USRVs, as detailed in Section 4.7 of this document.

**6.0 APPENDIX A**  
**NDM reconciliation validation process flow diagram**  
 (excluding reads procured under M3.6)

