

# UNC 0672:

## Incentivise Product Class 4 Read Performance



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# Why change?



- There has been excessive levels and volatility in Unidentified Gas (UIG) since the implementation of Project Nexus 01 June 2017.
- To ensure the accuracy of energy calculations it is extremely important that regular meter reads are submitted for all Supply Points
- At present there are read submission performance reports and targets set out in the UNC but there is no incentive to achieve these targets.

# Options



1. A single modification covering all aspects
  
2. The modification will be split into 2 key parts:
  - a) Reporting & measuring performance vs. defined targets
  - b) Applying a read incentive charge

# Solution



## Reporting & measuring performance

- Current Xoserve reconciliation reports will be enhanced to measure shipper performance
- Shippers will be measured against a target of % of Allocation energy volume reconciled to an actual read
- There will be separate measures and targets for SSP/LSP and monthly read sites
- Xoserve will be required to provide data to PAC on current industry performance
- PAC will be asked to define targets based on un-anonymised data to ensure targets are fair and reflective
- Targets should be defined prior to consultation

# Solution



## Applying read incentive charge

- An incentive charge would be applied to any shipper who fails to meet the defined target
- This incentive charge would be reflective of UIG uncertainty
- As part of the modification process the £kWh incentive charge will be proposed to PAC
- PAC will be asked to approve incentive £kWh charge prior to consultation and will have authority to review on an annual basis
- Meeting with Xoserve 29<sup>th</sup> Oct to discuss invoicing element and potential mechanisms