



UNC Review Group 0851R

Meeting 3 Updates
(January-24)

Background

- UNC Review Group Request submitted by OVO Energy
- Review to consider extending the current read submission window for [Annual] Class 4 meter points from 25 Supply Point Systems Business Days to a higher number
- At second meeting the CDSP reported back on possible process impacts of a longer read window – those slides are included as an Appendix
- For the third meeting the CDSP was given the action (0212):
 - ***CDSP to consider what the optimal supply point business days is such that the impact is to only extend by one month's cycle. What is the sweet spot?***
- I.e. identify a possible maximum read window that would always ensure current processing timescales are only **extended by one month** (i.e. to 10th day of 3rd following month)

Method

- For calendar years 2023 to 2025 we created a schedule of days and used a formula to assign as weekday or weekend
- Manually added bank holidays (including the Coronation bank holiday) as non-weekdays
- Summed the number of working days per month
- Calculated the number of working days from the end of each month to the 9th calendar day of the third month following – ***this should tell us the minimum number of SPSBDs available for read submission to ensure that AQ and Amendment processes could run on the 10th and capture everything for Month-3***

Results – Number of SPSBDs until 9th of M+3

Performance Month	2023	2024	2025
January	47	47	48
February	46	47	47
March	45	47	46
April	47	48	48
May	50	50	50
June	49	50	50
July	49	49	49
August	50	50	50
September	50	50	50
October	47	47	47
November	48	47	48
December	49	47	47

	2023	2024	2025
Average	48.1	48.3	48.3
Minimum	45	47	46

Analysis suggests that **45 to 47 SPSBDs is the “sweet spot”** to ensure that the processing window is only extended by one month (in the absence of exceptions etc)

Workgroup members are welcome to do their own version of this analysis to validate – or extend for future years – bank holiday calendars are available online [UK bank holidays - GOV.UK \(www.gov.uk\)](https://www.gov.uk)

Conclusions

- Business day counts depend on the fall of weekends and bank holidays: eg April 2023 was an 18-business month due to starting on a Saturday and having 2 Easter Bank holidays
- Based on 2023 to 2025 calendar years a figure of 45 to 47 days seems to be the minimum to ensure that no AQ or reconciliation transactions would be delayed until the 4th following month (except for existing Reconciliation exceptions)
- Analysis of current read rejections would not give the full picture of read submission volumes or patterns – several Shippers report that they do not submit reads that have “timed out” – we don’t know what the submission profile of reads would be if the window were extended

Appendix

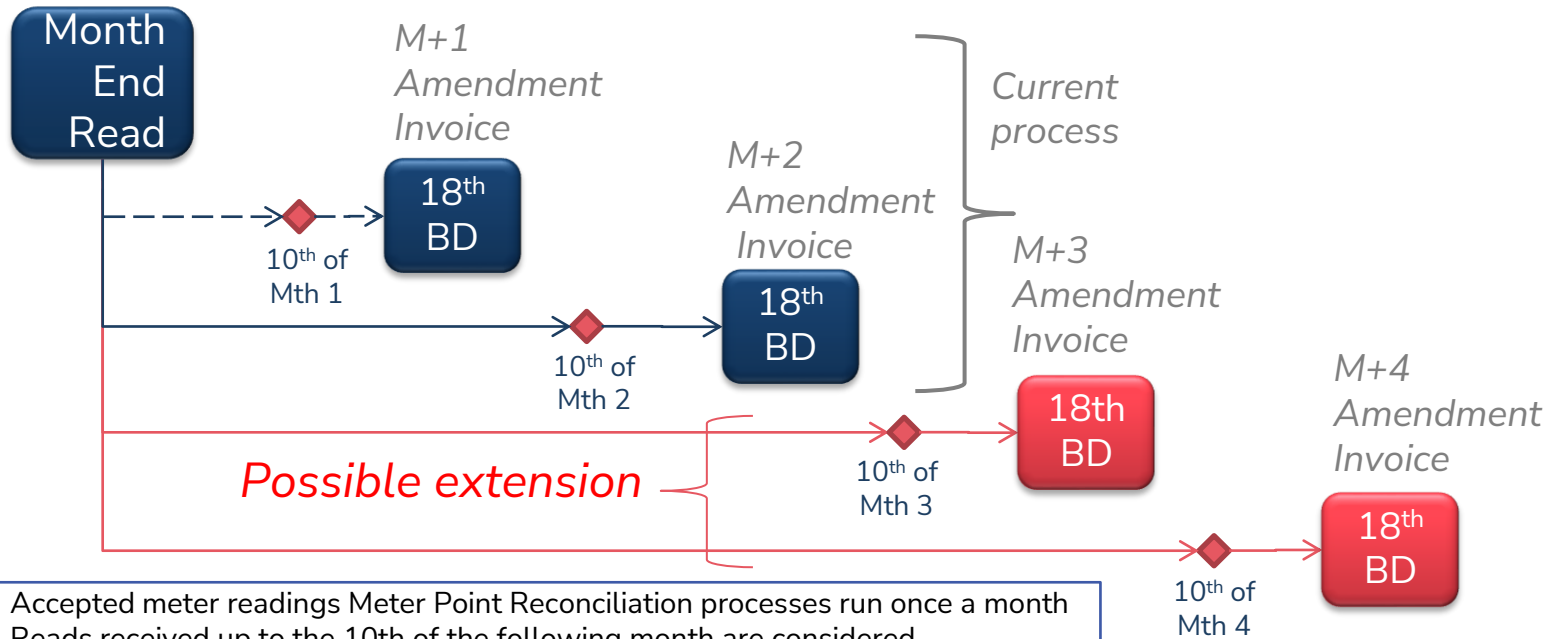
MEETING 2 SLIDES

(DECEMBER-23)

Areas to consider

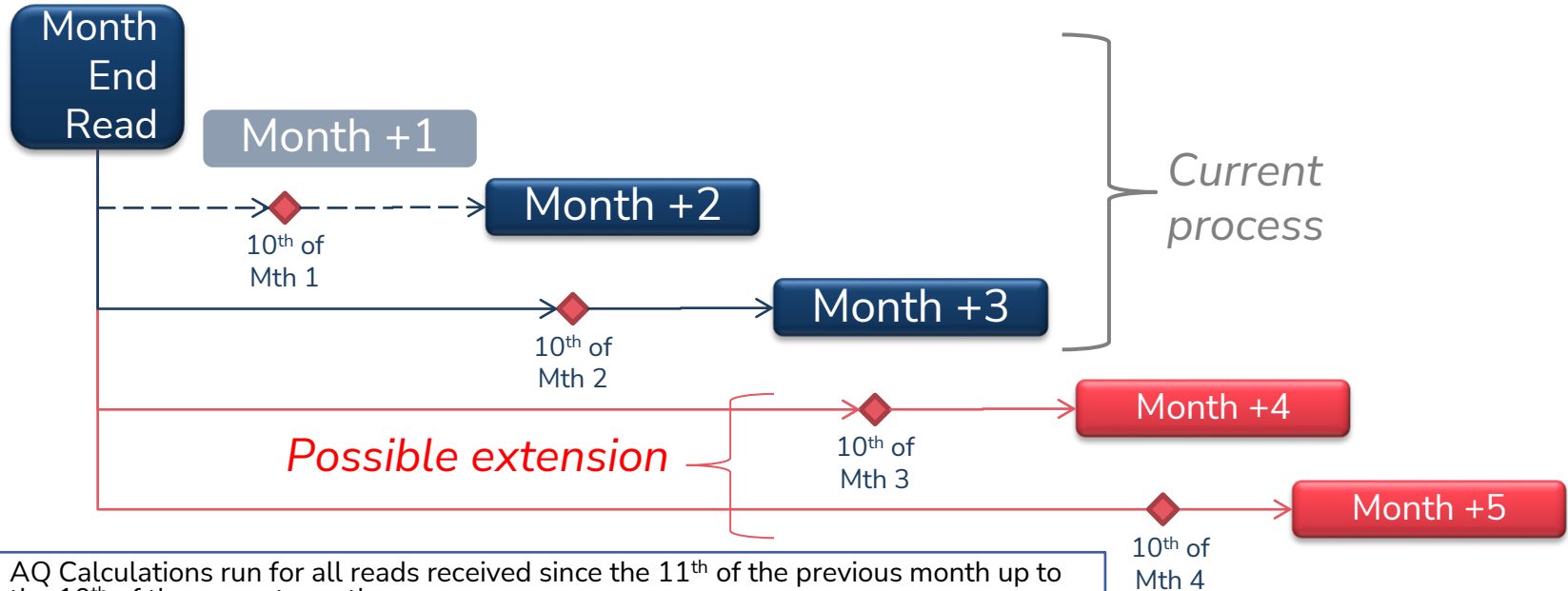
- The CDSP has been asked to consider the following four areas:
 - AQ calculation processes
 - Reconciliation processes
 - Demand Estimation processes
 - Settlement reports & performance reports
- 13 months of total read submission data added as a late addition

Meter Point Reconciliation Processes



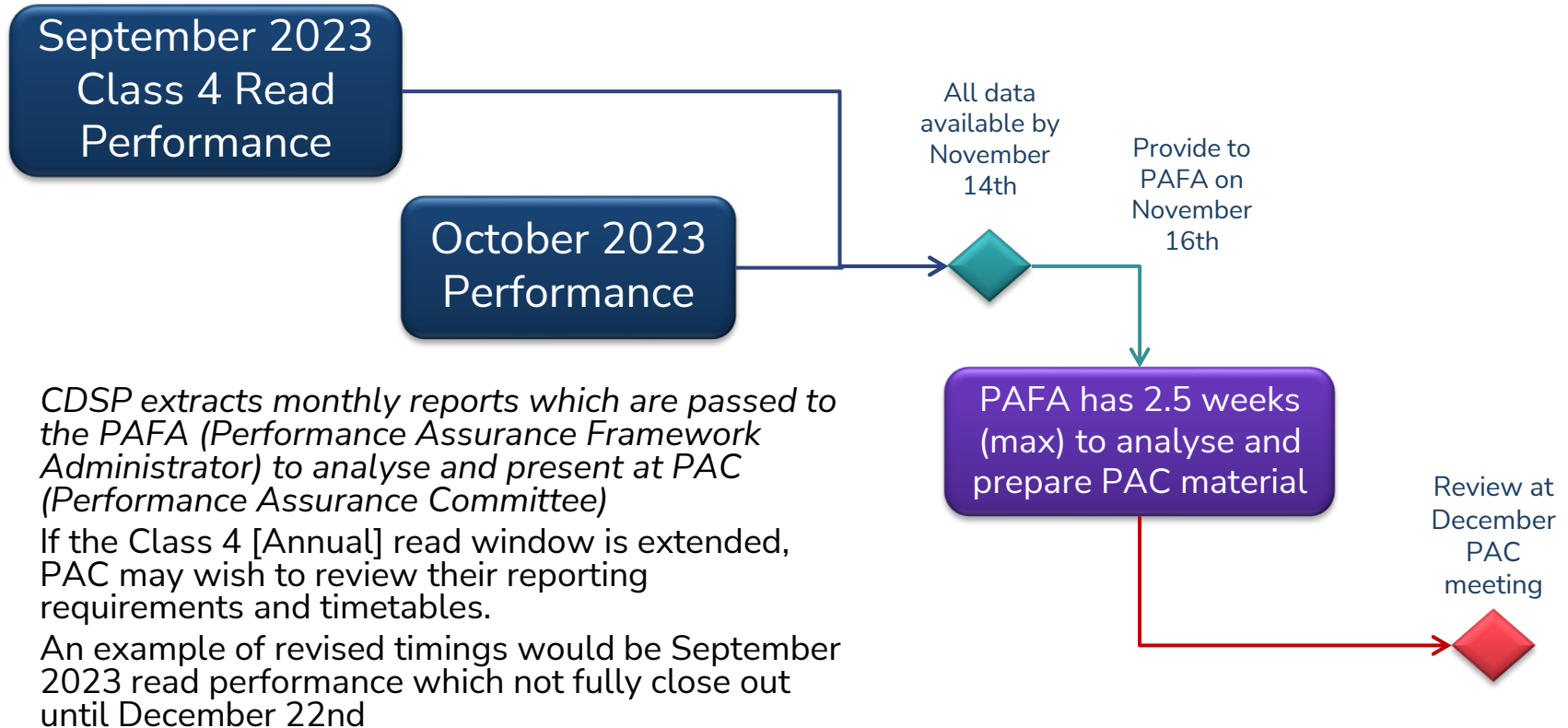
- Accepted meter readings Meter Point Reconciliation processes run once a month
- Reads received up to the 10th of the following month are considered
- Amendment Invoice is issued on 18th Business Day of M+1
- Reads which trigger UKLink exceptions or high value items can already be delayed by up to 2 further months
- Extended window to [60] days could delay a meter point rec until the Month +3 or Month +4 Amendment Invoice
- All accepted reads will be considered in due course but this could delay financial settlement for meter point reconciliation – and corresponding **UIG Reconciliation**

Class 4 AQ Calculation Processes



- AQ Calculations run for all reads received since the 11th of the previous month up to the 10th of the current month
- If successful, new AQs go live on 1st of following month
- 25 SPSBDs = at least 5 calendar weeks – currently new AQs derived from Month-end reads may not go live until Month +3
- Extended window to [60] days could delay a new AQ going live until Month +4 or +5
- AQ processes would still run as today and would consider all accepted meter readings in due course – but effective date of the new AQ could be later than currently

Settlement Performance Reports



Demand Estimation Impacts

- Demand estimation **daily** processes run in forecast and actual modes for NDM sites in Gemini system
- These processes estimate daily usage – meter reads are not required
- However any delay to updating AQs could make estimates less accurate – with an opposite impact to UIG accuracy
- Meter point reconciliation corrects the actual position and corrects UIG
- Shippers have an obligation to submit sample data to the CDSP monthly, quarterly or biannually – TPD H1.6.13 – for all Shippers with a portfolio >25,000 MPRs
- Demand estimation **annual** processes need that daily NDM Sample data to help define the future profiles and assess historic performance
- Shipper sample data is needed by 5th Business Day of following month
- This obligation is separate to M5.9.4 and there is no scope to amend it without delaying the timetable for preparing the NDM Algorithm parameters

Demand Estimation: Impact on WAR Band Assignment

- Each LDZ has 39 individual EUC values covering 9 different AQ Bandings
- AQ Bands 3 to 8 have a further 4 sub-divisions for the Winter Annual Ratio “WAR” bands, these WAR Bands are derived by the site’s Winter Consumption (WC)
- The WC value is an energy figure of the consumption over the winter period (December to March)
- The Winter Annual Ratio (WAR) is calculated as a percentage of the Rolling AQ consumed in the winter period eg 33% or 0.33 would indicate that a site uses roughly one third of its typical annual consumption in the period from December to March
- WC values are calculated in late May using a pair of reads across the months Nov/Dec and March/April
- A longer read window for Monthly Read sites could mean fewer sites get a valid Winter Consumption in May, leading to fewer sites in WAR Band EUCs and could result in less accurate allocation for sites without Winter Consumptions. This may lead to more volatile UIG
- Link to the WAR Band E-learning: [Xoserve e-learning material](#)

Meter Read Insertion

- Currently a Shipper can insert an extra meter read into the read history for its period of ownership
- Reads must still be submitted within the 25 SPSBD window and must pass validation to previous and subsequent reads
- Review Group could consider whether the extended read submission window would also apply to inserted reads

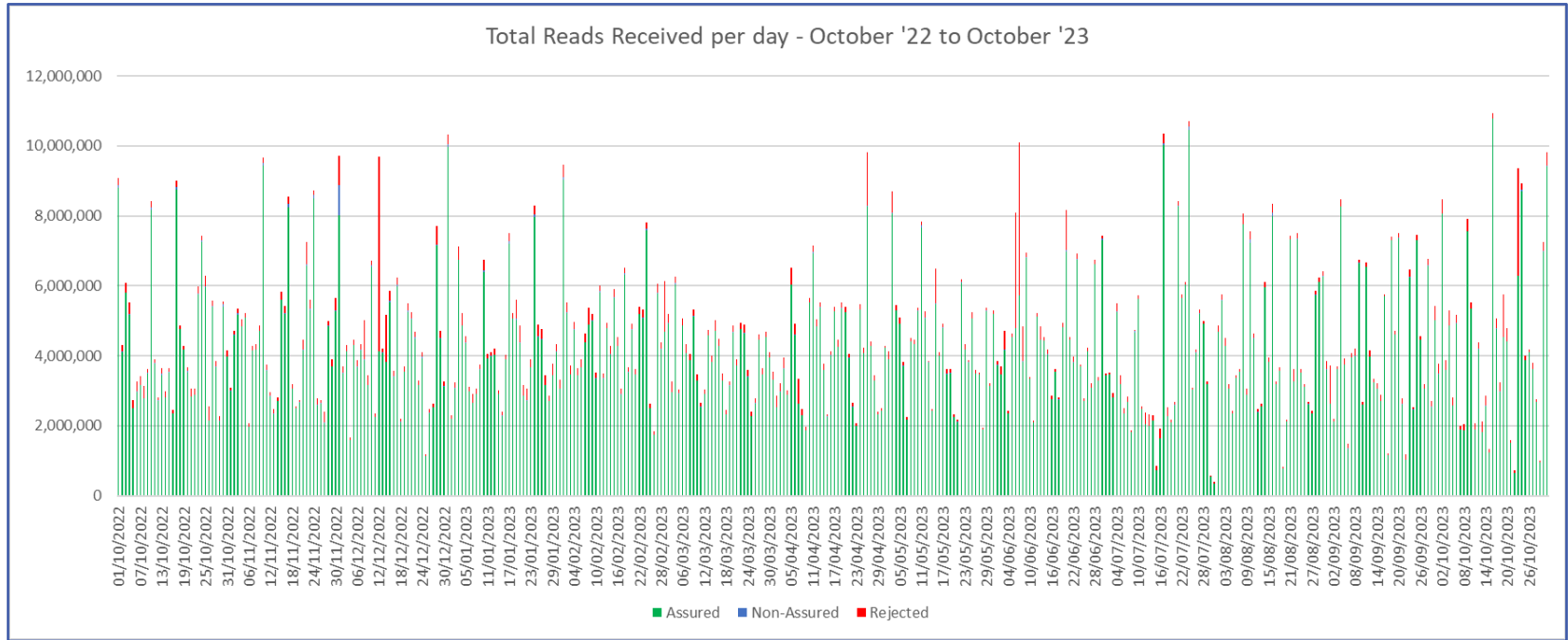


Additional read can be inserted (only by this Shipper) until 24/01/24 – even if there has been a later change of Shipper or meter exchange since the read was taken

Other considerations

- When considering an increase in the read submission window from 25 SPSBDs, it is important to consider what other processes this read window applies to:
 - a. The 25 SPSBD window is also applied to “Must Reads” – Transporter reads obtained under M5.10 “Failure to obtain readings” rules. Review Group may also wish to consider whether this window should also be extended
 - b. Check read process for Class 4 sites with AMR devices – UKLink currently waits 25 SPSBDs before calculating the reconciliation in case further cyclic reads are loaded. Review Group may wish to consider whether the wait period should be extended to [60] days which would delay the reconciliation charges

Additional Slide – actual read submissions for the last 13 months



- Daily average (all Classes) 4.4m reads per day – UKLink Manual states 4m average, 32m peak
- On 5 occasions the total has been over 10m on a day – first/last days of a month often see spikes

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