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Mod 432 Project Nexus Settlement Reform cost benefit case

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- Following development at PNUNC, Xoserve issued the consultation document on 9th January with responses requested by 15th February.
- The consultation was issued to named contacts at Shipper organisations as the consultation document contained Shipper specific reconciliation variance information.
- Five Shippers and one GT have so far provided responses
- All respondents supported the principle of Mod 432
- A number of respondents provided financial information for the cost benefit case.
- The business case is probably OK, but would benefit from more responses

Mod 432 Project Nexus Settlement Reform cost benefit case – matters to consider

- Some benefits identified have been excluded as there is a counter industry cost e.g. some shippers suggested they would benefit from more accurate allocation and provided a value for the energy. But as the energy will be allocated elsewhere the savings to one appear as a cost to others.
- It is possible to extrapolate industry benefits for some, but not all, benefits identified, to obtain an industry wide position
- Some of the annual savings identified appear to relate to the use of increased reads, linked to the Smart metering roll-out. The report will need to recognise this and present information to pro-rata the annual savings
- There appears to be an inconsistency in approach, the Shipper responses suggest that more reads will be submitted for rolling AQ and meter point reconciliation, but at the 18 February PN UNC, Shippers there decided not to increase the meter read frequency provisions in UNC

Mod 432 Project Nexus Settlement Reform cost benefit case – next steps

- Any additional responses are still welcome up to the end of March
- Xoserve will finalise the report and submit this to PN UNC for review in April.