

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.

Solution

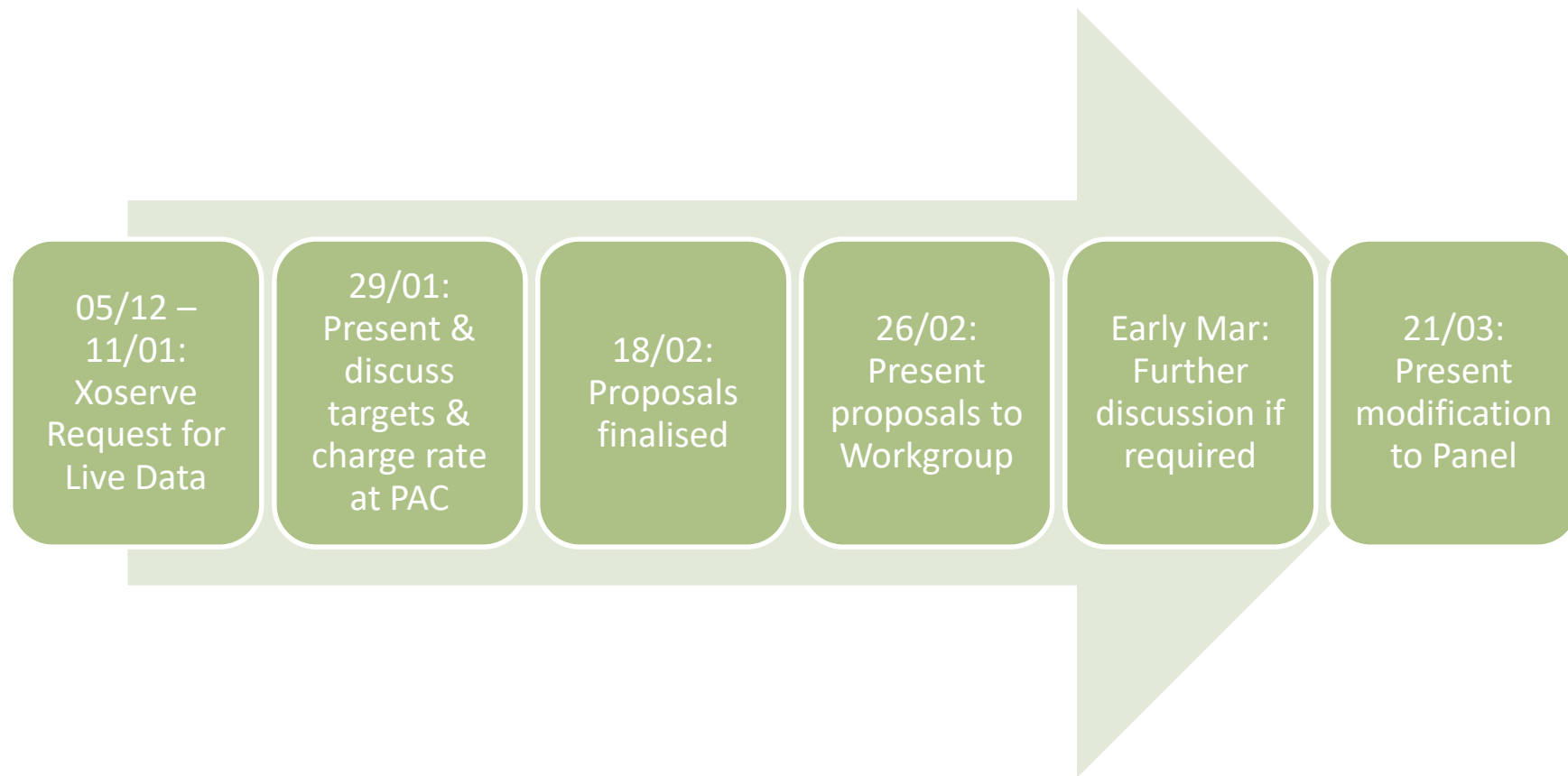
- The modification will have 2 key parts:
 - a) Reporting & measuring performance vs. defined targets
 - b) Applying a read incentive charge
- It is proposed that current Xoserve reconciliation reports will be used to measure shipper performance
- Shippers will be measured against a target of % of Allocation energy volume reconciled to an actual read:
- It is proposed that an incentive charge would be applied to any shipper who fails to meet the defined target

Methodology

Issue	Modification Proposal
Define the reporting required for this modification	As defined in Mod New PAC report to show incentive charges throughout industry
The % target	Determined by Live Xoserve data
When shippers will receive the first incentive charge	12 months after first report (annual/non-AMR/Smart) 4 months after first report (monthly / AMR / Smart)
Define the pence per unit value for the incentive charge	Determined by Live Xoserve data
How the Incentive Charge will be re-distributed	Redistributed throughout industry
Whether a charge cap is necessary	Determined by Live Xoserve data
Define the review process to ensure continual improvement throughout the industry	Re-assessed when >50% of shippers are achieving or every 12 months

A request for live data has been sent to Xoserve in order to fully understand the impact & set fair & achievable targets / charge rate to be proposed to PAC.

Mod Timelines



Example

A worked example of how the incentive would be calculated has been included on the latest modification document.

Timelines for the incentive are as follows:

No	AQ (kwh)	Meter Type	Incentive Date	Reporting Date	Incentive Charge Date	Incentive Credit Date
1	1 – 293,000	Non-AMR / Smart	Month + 12	Month + 13	Month + 14	Month + 16
2	All	AMR / Smart	Month + 4	Month + 5	Month + 6	Month + 8
3	>293,000	All	Month + 4	Month + 5	Month + 6	Month + 8