

Nexus implementation and absence of AQ Review 2017



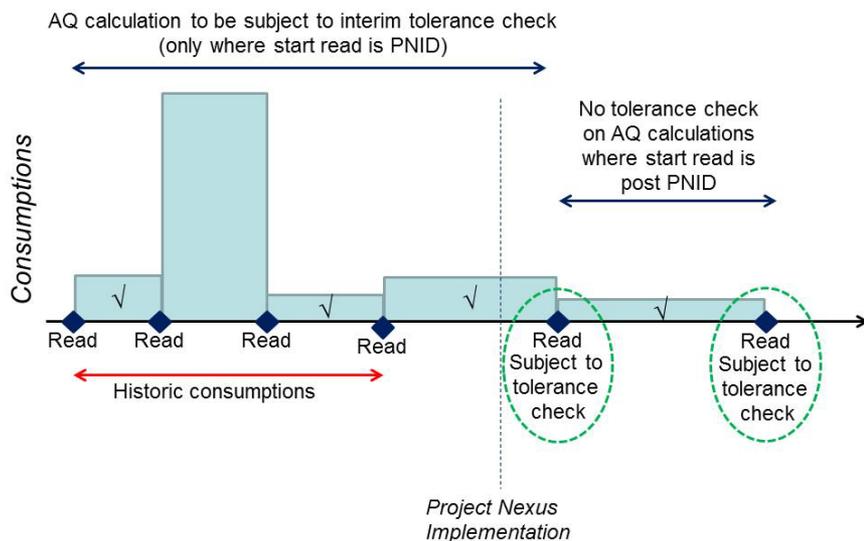
Pre-MOD proposal – Transitional Extension to the AQ Correction Process

17 November 2016



Nexus implementation and absence of AQ Review 2017

- The issue of absence of AQ Review 2017 was discussed in last month's Distribution Workgroup, and the additional risks posed to the transitional AQ validation rules (potential for more erroneous AQs to be calculated within the tolerances)



4.1 SSP to LSP Tolerance Levels

Lower AQ Band (kWh)	Upper AQ Band (kWh)	AQ tolerance - % Increase in Calculated AQ	Maximum Allowable New AQ (kWh)
1	1	7,000,000%	70,001
2	200	25,000%	50,200
201	500	10,000%	50,500
501	1,000	5,000%	51,000
1,001	3,000	2,000%	63,000
3,001	5,000	1,000%	55,000
5,001	10,000	500%	60,000
10,001	20,000	400%	100,000
20,001	73,200	600%	512,400

4.2 LSP to LSP Tolerance Levels

Lower AQ Band (kWh)	Upper AQ Band (kWh)	AQ tolerance - % Increase in Calculated AQ	Maximum Allowable New AQ (kWh)
73,201	732,000	550%	4,758,000
732,001	2,196,000	500%	13,176,000
2,196,001	29,300,000	450%	161,150,000
29,300,001	58,600,000	400%	293,000,000
58,600,001	And above	350%	4.5 x previous AQ

Options for mitigation?

- Xoserve have since issued feedback on a number of options
- All options that link to AQ Review 2017 have the problem of potentially impacting Nexus delivery, and/or there is realistically not enough time left to develop a MOD and solution
- Increase in SSP appeals an option, but the window for action reduces its effectiveness
- Other post Nexus options involve a SAP change (however minor) so could impact Nexus delivery

Summary of key options



Option	Pros	Cons	No impact on Nexus delivery	No xoserve resource impact	Mitigates risk effectively?	Summary
Full or Truncated AQ Review 2017	<ul style="list-style-type: none"> Well managed and understood process 	<ul style="list-style-type: none"> Resource intensive Pressure on PNID Not enough time left to develop 	✗	✗	✗	Not feasible
Partial (dummy) AQ review 2017 run & trial calc – leave as is	<ul style="list-style-type: none"> Xoserve have confirmed this is going ahead 	<ul style="list-style-type: none"> No amendments available, will not mitigate risk 	✓	✓	✗	Does not mitigate the risk
Increase in SSP appeals	<ul style="list-style-type: none"> Existing process No change to pre-Nexus functionality 	<ul style="list-style-type: none"> Needs more reads to amend Truncated 2017 window 	✓	✓	✗	Feasible, but does not mitigate the risk effectively
Change to tolerances	<ul style="list-style-type: none"> Prevents manual work Provides robust methodology 	<ul style="list-style-type: none"> Would require SAP change 	✗	✗	✓	Would require a SAP change
One-off backstop update/amendment exercise	<ul style="list-style-type: none"> No enduring change Precedent with current read exercise 	<ul style="list-style-type: none"> Too open? Could still be unwieldy 	✗	✗	✓	Too problematic, not enough time to develop
Transitional relaxation of existing AQ correction options	<ul style="list-style-type: none"> No system change required More time to develop rules and MOD 	<ul style="list-style-type: none"> Manual process Corrects data post Nexus Too open? 	✓	✓	✓	Doesn't require SAP change, just business rules – more time to develop

Potential MOD – Transitional Extension to the AQ Correction Process

- A transitional extension of business rules to one of the existing options for AQ Correction is the only option that mitigates the risk, does not involve a system change, and adds no resource impact to xoserve prior to PNID
- The proposal is that a transitional business rule extension to one of the existing AQ Correction options (option b – change in consumer usage) is allowed for erroneous data calculations, with additional limits to the use of the facility
- This avoids a system change, mitigates the risk, and would only be available for a transitional period

AQ correction extension – business rules

- This option would allow a transitional extension to the AQ Correction process, using option B for a wider remit of erroneous data, and users have to submit a mandatory read pair as evidence (or revert to original PNID AQ)

Business Rule	Detail
Extension of AQ Correction option b to include erroneous data	<ul style="list-style-type: none">• No change to SAP (e.g. adding an additional code)
Option - AQ cannot be 'amended' – has to be reverted to the previous AQ prior to the rolling AQ calculation?	<ul style="list-style-type: none">• Would only allow the AQ to be reverted – could aid any checks / validation
Submit read pair as mandatory when submitting AQ correction	<ul style="list-style-type: none">• Mandatory requirement to support accuracy (currently to be supplied if available)
Transitional period only (12 months)	<ul style="list-style-type: none">• Only available for a 12 month period post PNID
First read of initially calculated AQ must have been submitted prior to PNID	<ul style="list-style-type: none">• Ensures is only used for intended purpose
Threshold on AQ changes (e.g. minimum change to ensure erroneous)?	<ul style="list-style-type: none">• As in SSP appeal rules
Volume cap?	<ul style="list-style-type: none">• May be needed in any event

Summary

- This option is a pragmatic proposal, given the constraints and timescales
- It avoids a system change, additional pre-Nexus xoserve resource impacts, and mitigates the risk
- It would only be available for a transitional period
- Additional business rules would provide checks and balances