Modification 0654

01 May 2018

Question from April Panel

Q1. Consider the interaction between AUG Review and PAC review of meter reading submissions

Comparison of PAC and AUGE areas of concern

Performance Assurance Committee

- Interested in compliance with existing UNC obligations
- Entitled to see reports on meter read submission performance
- Aim to improve timeliness and accuracy of settlement
- Better read performance reduces settlement risk
- Can help reduce UIG or shorten time to reconciliation

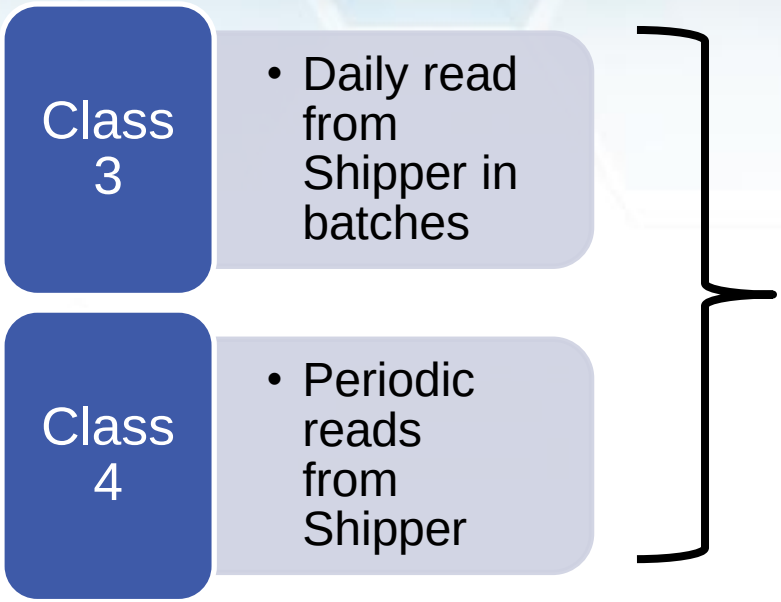
Class 1	• Daily read from DM Service Provider
Class 2	• Daily read from Shipper
Class 3	• Daily read from Shipper in batches
Class 4	• Periodic reads from Shipper

Allocation of Unidentified Gas Expert

- Develops the Weighting Factors for sharing out UIG
- **Current** AUGE's approach requires meter read history from UKLink
- Minimum requirement is 1 read p.a. ideally close to 1 October each year
- Approach to developing Weighting Factors is at the discretion of the AUGE, consults with industry each year

xoserve

Scope of Mod 0654



Scope of NDM Demand Estimation is Class 3 and 4 only

- Demand Estimation process requires daily read history for a representative sample of NDM meter points to build relationship to day of week and weather
- Sample needs to span all sizes, geographies and market sectors (and payment types if possible)
- This is over and above the Shipper's read submission obligation for these sites
- Class 3 data could be used – but current read performance is inadequate
- Class 2 data should be used with caution – these sites are not part of the NDM population and may have different demand drivers
- Xoserve/GTs currently maintain sample sites – daily read data is not loaded to UKLink – does not satisfy the Shipper's read obligation – held in a separate data store, anonymised or aggregated prior to sharing with the industry

Conclusion/observations

- PAC could be a vehicle for monitoring compliance with any new obligations
- Current AUGE's methodology is unlikely to benefit from a modest increase in the NDM Sample
- Any improvement to NDM Algorithm due to larger sample size would be likely to improve NDM Allocation and therefore reduce UIG/Settlement risk – less UIG to be shared out by the UIG Weighting Factors