

UNC Modification Proposal 270 Aggregated Monthly Reconciliation for Smart Meters: Draft Business Rules

***Modification Title:** Following further discussion around the business rules it is proposed to change the title of this Modification Proposal to “Elective Meter Point Reconciliation for Small Supply Points with AMR” as this better represents the intention and outcome of the modification.*

1. Scope

- 1.1. The modification will enable a shipper to elect a small supply point with AMR capability to be included in daily allocation and energy balancing, in line with other SSPs, but to be subject to periodic meter point reconciliation, whilst remaining in reconciliation by difference for settlements and remaining confirmation only for change of supply.

2. Conditions for shipper election of SSP

- 2.1. Must currently be an SSP
- 2.2. Shipper must warrant that a device is installed which can automatically collect a meter reading at frequencies of approximately 30 days
- 2.3. Site will need to be identified as elective meter point reconciliation.
 - 2.3.1. The suggested method is to use the monthly read flag. Shippers would need to elect any SSPs currently identified as monthly read into elective meter point reconciliation or remove the monthly read flag.
 - 2.3.2. One alternative is to have a new indicator for SSPs subject to elective meter point reconciliation
- 2.4. [This facility is not available to SSPs on CSEPs.]

3. Energy and transportation reconciliation

- 3.1. The SSP remains in the SSP regime for all purposes except that it is subject to meter point energy and transportation reconciliation.
- 3.2. [The SSP remains domestic.]
- 3.3. Allocation on the day is unchanged, the SSP retains the same EUC and ALP, WAR bands do not apply.
- 3.4. The shipper submits a meter reading on a monthly basis, this is used to reconcile energy and transportation invoicing.
- 3.5. USRV process remains in place and additional tolerances will need to be developed for EUC Band 1 Reconciliations, and the UNC Reconciliation Suppression Guidelines updated.

4. Meter reading submission

- 4.1. Expectation of monthly meter reading submission for each SSP
- 4.2. Must read obligation at 12 months.
- 4.3. Eye ball meter reading at 24 months.
- 4.4. Drift or reconciliation between eyeball and AMR reading will be dealt with in current reconciliation period.
- 4.5. [All types of meter reading will trigger a reconciliation, including eyeball reading and estimated reading, in addition to AMR readings.]
- 4.6. [SSP sites subject to elective meter point reconciliation are included in the User’s target for meter read performance under M3.4.1.]

- 4.7. [M3.4.2 requirements relating to the days elapsed between reads applies to these SPs (not less than 23 days, not more than 37 days).]
- 4.8. [M3.7.2 more frequent readings provisions do not apply to these SPs.]

5. Reconciliation

- 5.1. On receipt of a meter reading, a meter point reconciliation will be calculated in the same way as for current monthly read LSPs.
- 5.2. Reconciliation will be calculated using the NDM Allocation factors for EUC Band 1.
- 5.3. Transportation charges (NTS and LDZ) will be calculated using applicable prices for SSPs.
- 5.4. The reconciliation will appear on the next available Reconciliation invoice.

6. Capacity for Election

- 6.1. It is likely that there will be a maximum number of SSPs that can be moved into elective meter point reconciliation, driven by the capacity to process readings, reconciliations and USRVs.
- 6.2. It is suggested that initial costing be based on 1 million SSPs (5% of overall base).
- 6.3. Quota would initially be allocated on a first come first serve basis [across all Shippers, with no Shipper-level quotas].

7. Reconciliation by difference

- 7.1. Reconciliation volumes and values are assigned to the [monthly] pot (E7.2.1 (a)).
- 7.2. The SSP remains in reconciliation by difference for settlements and energy allocation at meter level is daily.
- 7.3. The AQ of elective meter point reconciliation SSPs will be included in the User SP LDZ Aggregate AQ and Aggregate LDZ AQ for the LDZ.
- 7.4. The User will therefore receive an individual meter point reconciliation, and on the same invoice will receive their User SP Aggregate Reconciliation Proportion of the RbD Energy and RbD Transportation values for that reconciliation.

8. AQ review

- 8.1. The SSP remains in normal AQ review process, with more frequent reads making it more likely that an optimum pair of reads will be available.

9. Change of Supplier

- 9.1. The change of supply process remains confirmation only. It is preferable but not essential that the monthly read flag is reset on change of supply.
- 9.2. The transfer read window remains unchanged.
- 9.3. Shipper agreed reads process for SSPs remains unchanged.

10. Charging

- 10.1. User pays for development [across all eligible SSPs/across interested parties] plus service charge for usage of service, [based on number of sites nominated (not on number of reads submitted)].

11. Transportation charges

- 11.1. Remain unchanged on an annual basis.

12. Change of status away from Elective meter point reconciliation

- 12.1. [The following conditions would prompt a loss of status and reversion to RbD only:]
 - 12.1.1. [Shipper notification of requirement to cease meter point reconciliation]
 - 12.1.2. [Change of Shipper]
 - 12.1.3. [AQ review moves SP to LSP]
 - 12.1.4. [AQ Appeal moves SP to LSP]
 - 12.1.5. [Non-submission of reads for xx months]
 - 12.1.6. [Meter exchange]

13. Transitional Arrangements

- 13.1. [The following arrangements apply for the first reconciliation after implementation of this facility and after a SP has been flagged as subject to meter point reconciliation]
- 13.2. [one of the following to apply]
 - 13.2.1. The next meter reading provided triggers a reconciliation back to the previous reading
 - 13.2.2. The next meter reading becomes the start read of the first reconciliation period; or
 - 13.2.3. The next read provided triggers a reconciliation back to the previous reading but only the portion after the implementation date is billed – similar to Line in the Sand.
Option 2 is probably the best option, since previous meter readings were not provided for the purposes of reconciliation.