

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.*

It is proposed that:

1. Scope

- 1.1. The modification will enable a shipper to elect a smaller supply point (SSP) with remote meter reading equipment [or with gas card reading equipment] to be included in daily allocation and energy balancing, in line with other SSPs, but to be subject to periodic individual 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 be an SSP at the point of election
- 2.2. Shipper must warrant to the Transporter that remote meter reading equipment is installed at each Meter Point comprising the SSP and provide a valid meter reading with the election
- 2.3. Shipper must notify the Transporters the SSPs that are to be subject to individual meter point reconciliation.
- 2.4. For the avoidance of doubt, it is not proposed that the UNC be modified to make this facility 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 individual meter point energy and transportation reconciliation.
- 3.2. Energy allocation on the day is unchanged - the SSP retains the same EUC and ALP, WAR bands do not apply.
- 3.3. The shipper must submit meter readings on a monthly basis, which will be used by the transporter for the purpose of reconciling energy and transportation invoicing.
- 3.4. The USRV process will continue to apply, with no change to the UNC obligations proposed. However, the Network Code Reconciliation Suppression Guidelines may need to be updated in support of this Proposal, with additional tolerances being developed for EUC Band 1 Reconciliations.

4. Meter reading submission

- 4.1. Monthly meter reading submission requirements for each individually reconciled SSP will be in line with the existing Monthly Read obligations. [read submission frequency to be confirmed in light of ROM costs, i.e. whether more than one read per month can be accommodated]
- 4.2. Must read obligation at 24 months.
- 4.3. Any drift or reconciliation will be dealt with under the existing processes in the current reconciliation period.

- 4.4. All meter readings permitted under the UNC for these SSPs will trigger a reconciliation. [\[subject to seven day reconciliation issue\]](#)
- 4.5. SSP sites subject to elective meter point reconciliation are included in the User's target for meter read performance under M3.4.1.
- 4.6. 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).
- 4.7. [M3.7.2 more frequent readings provisions do not apply to these SPs.] [\[to be confirmed – inconsistent with Mod 0202 and First:Utility are therefore inclined to delete this point\]](#)

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 [\[to be informed by the ROM\]](#)

- 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. Any 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 individually reconciled SSPs remain in reconciliation by difference for settlements and therefore attracts a share of all RBD charges in the relevant LDZ.
- 7.3. The AQ of elective individually reconciled 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 individually reconciled SSP will remain subject to the SSP AQ review process.
- 8.2. The individually reconciled SSPs will be exempt from the [End of Year Reconciliation](#) process for the part of the year [covered by](#) their election.

9. Change of Shipper

- 9.1. The change of supply process remains confirmation only.
- 9.2. The transfer read window remains unchanged.
- 9.3. Shipper agreed reads process for SSPs remains unchanged.

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10. Charging

- 10.1. User pays for development across all directly connected SSPs (based on the average number across the gas year 2009/10) as an equal amount per SSP, plus an ongoing charge for usage of service, based on number of sites nominated.

[\[Club based approach to be developed to cover up-front development costs?\]](#)

11. Change of status away from Elective meter point reconciliation

- 11.1. The following conditions would prompt a loss of status and reversion to RbD only:

- 11.1.1. Shipper notification of requirement to cease meter point reconciliation.

[accompanied by submission of a read](#)

- 11.1.2. Change of Shipper

- 11.1.3. AQ review moves SP to LSP

- 11.1.4. AQ Appeal moves SP to LSP

12. Transitional Arrangements

- 12.1. [The following arrangements apply for the first reconciliation after implementation of this facility and after a SSP has been flagged as subject to individual meter point reconciliation]

- 12.1.1. The meter reading submitted with the election becomes the start read of the first reconciliation period; or ...