# MOD570

## Obligation on Shippers to provide at least one valid meter reading per meter point into settlement once per annum

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# Agenda

- Solution in MOD570

- Solution Options

- Concerns with MOD570

- Meter Reading Submission Targets – Post Nexus

- Discussion

# Solution in MOD570

- Modification 570 seeks to place a requirement on Shippers to submit at least one reading into settlement once per year and for this to be used in the settlement process

- The Modification also proposes that reporting is produced by Transporters to monitor Shipper performance

- The proposal also recognised that there might be a need for a grace period, given the changes to arrangements being introduced through Project Nexus

The Proposer is cognizant of the early discussions on the MOD570 solution, including concerns over what the new Nexus validation and systems arrangements could mean for performance

# Solution Options

- The Proposer agreed with the concerns set out within early discussion about the MOD570 and believed that there are at least three options that could be considered to create a solution for MOD570:

  1. A target set by the Performance Assurance Committee

  2. A three year rolling target, with a view to reaching [99 – 100]% performance before close out

  3. A target to be achieved within [x] months after Nexus Go-Live (a grace period)

ScottishPower believes that these remain the three solution options, but have a preference for Option 1

# Concerns with MOD570

- There were concerns over whether the UNC modification would present terms more onerous than the Supply Licence Condition, given it is on a reasonable endeavours basis

- Additionally there were concerns over an absolute requirement being placed into Code when access issues can present unforeseen problems in obtaining readings

- Some parties were also worried that targets would be set arbitrarily and that there should in fact be science behind the targets to ensure that there is an implication for settlement accuracy, where targets are not being met. This could lead to incentives around performance (beyond the current scope of MOD570)

However ScottishPower's concern remains that although there is a Supply Licence requirement to use readings for billing there is no obligation to provide these into Settlement

# Meter Reading Submission Targets – Post-Nexus

| Option | Read Submission Target | Maximum Read Submission |
|---|---|---|
| **Product 1 -** Daily Metered Time Critical Reads | • 97.5% daily target | • N/A |
| **Product 2** – Daily Metered Not Time Critical | • 97.5% daily target | • N/A |
| **Product 3 -** Batched Daily Readings | • 90% monthly target | • Daily |
| **Product 4 –** Periodic Readings | • Monthly MRF - 90% per calendar month<br><br>• SSP Annual – 70% in 12 month period<br><br>• LSP Annual – 90% in 12 month period | • 7 days<br><br>• Larger Annual (>73,200kWh) – 14 days<br><br>• Smaller Annual (<73,200kWh) – 25 days |

ScottishPower proposes that the MOD looks to introduce reporting around these requirements, with the report being presented to PAC within [6] months of Nexus Go-Live to determine suitability/risk

# Discussion