Workgroup 0564R Meter Reading Requirements

January 2016

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Settlement performance targets should be designed to reduce the risk of inaccurate energy allocation.

- Reconciliation is allowed back to the “line in the sand” date.
  - The line in the sand was set to 3 to 4 years under Modification 0398.
  - If a shipper submits a read within this 3 to 4 year window, energy allocation will be reconciled to actual consumption.
  - This will remove any inaccuracies in the initial allocation, e.g. due to AQ inaccuracy.
  - Following Nexus reconciliation will occur for SSP sites as well as LSP sites.

- Targets should be based around performance at the line in the sand, and could build up to it:
  - E.g. 95% of sites in any one year, 98% in 2 years, 99% in 3 years (or line in the sand, to cater for any future changes to the line in the sand)

- If different targets are chosen for different customer types, this should be based on Product class, rather than Smart/Legacy meter type or SSP/LSP.

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Quantification of Risk to Settlement

- Engage consulting assessed current meter reading performance in the context of the Nexus processes, for their report for the Performance Assurance Workgroup, and considered it to be a small risk*

> 3.3.3 Meter read submission frequency for product 4
>
> This risk shows the value at risk created by MPRNs in product 4 not being read as frequently as MPRNs in product 3. The value at risk created by MPRNs in product 4 is £1,350,000 to initial allocation only. Individual meter point reconciliation should correct this misallocation.
>
> 3.3.5 Failure to obtain a meter reading within the settlement window
>
> There is a risk to final allocation created by not obtaining a read for a site within the settlements window. As 0.2% of sites do not have a read within the settlement window the value at risk is £79,000 to initial and final allocation. Engage recommend not including this in the performance assurance framework due to the low value at risk.

- Factors which will limit read submission rates include:
  - Hard to access sites, e.g. vacant sites; unmanned sites; customer out; self-serve customer does not submit their own reading; meter blocked.
  - Unsafe sites, e.g. threatening behaviour by customer; no floorboards, hazardous materials.
- How do we get reads for these customers?

* Page 12 of "30 January 2015 Gas Market Settlements Risks Quantification Section 2", here: http://www.gasgovernance.co.uk/pa/IndRiskStudy

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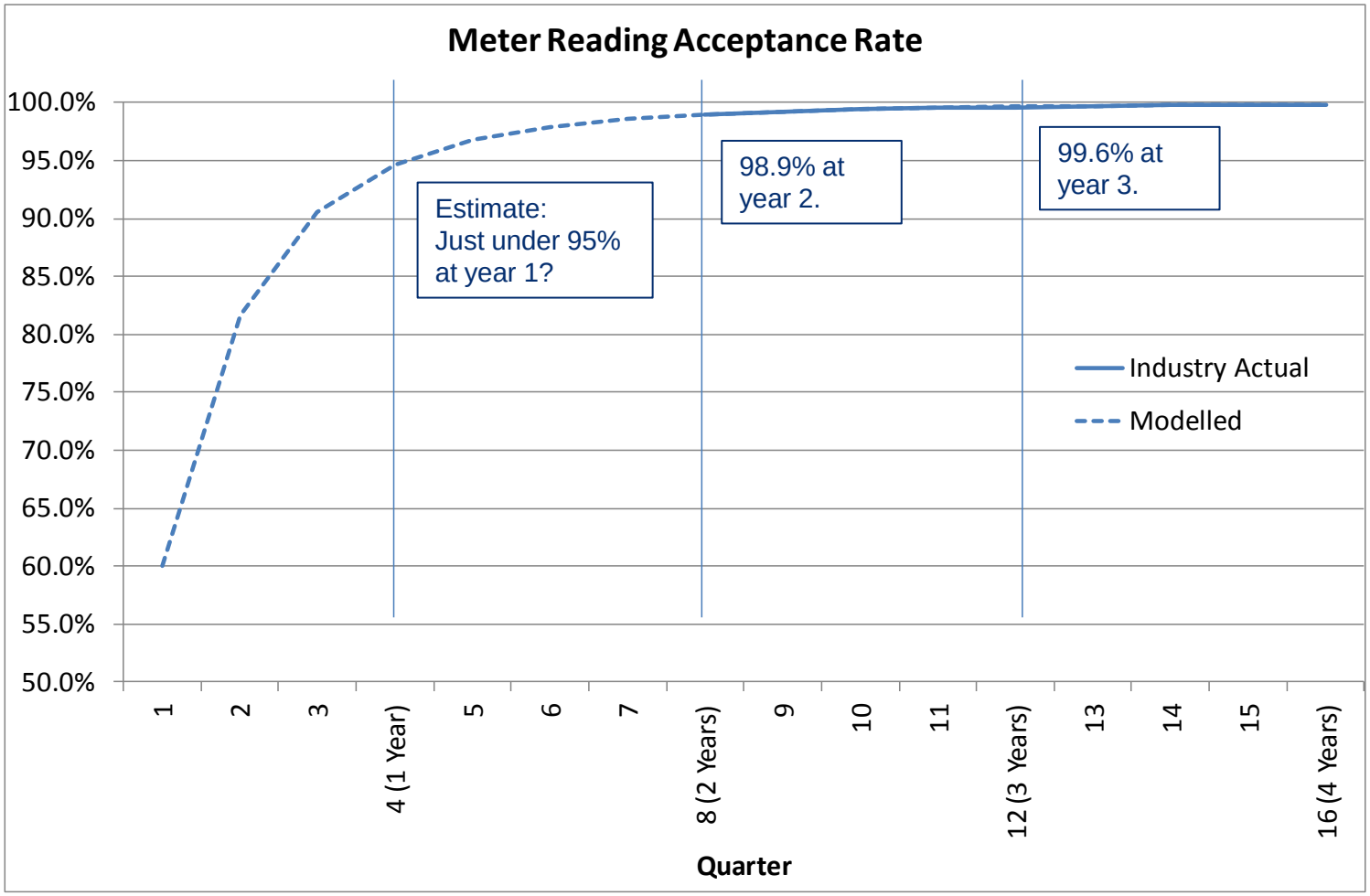
Current Industry Read Submission Performance, based on Xoserve data.



* Based on “No reads in 2,3 or 4 years” industry data provided by Xoserve for Nexus Data Cleaning Workgroup.

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