

UNC Workgroup 0451 Minutes Individual Settlements For Pre-Payment & Smart Meters

Monday 13 May 2103

via Teleconference

Attendees

Tim Davis (Chair)	(BF)	Joint Office of Gas Transporters
Helen Cuiin (Secretary)	(HCu)	Joint Office of Gas Transporters
Andrew Margan	(AM)	British Gas
Andrew Wallace	(AW)	Ofgem
Chris Warner	(CW)	National Grid Distribution
Colette Baldwin	(CB)	E.ON UK
David Addison	(DA)	Xoserve
Ed Hunter	(EH)	RWE npower
Elaine Carr	(EC)	Scottish Power
Fiona Cottam	(FC)	Xoserve
Hilary Chapman	(HCh)	Xoserve
Huw Comerford	(HC)	Utilita
Mark Jones	(MJ)	SSE

Copies of all papers are available at: www.gasgovernance.co.uk/0451/130513

Urgent Timetable

Process	Date
Workgroup Meeting	29 May 2013
Workgroup Meeting	11 June 2013
Workgroup Meeting	02 July 2013
Workgroup conclude report	25 July 2013
Panel consider report, issue for consultation	15 August 2013
Consultation closes	09 September 2013
Panel provide recommendation and submit report to Authority	19 September 2013
Authority decision	By 01 October 2013

1.0 Outline of Modification and initial discussion

HC introduced the modification, which would introduce individual settlement for pre-payment and smart meters. HC explained that, over last winter, Utilita observed significant over-allocation through RbD. 95% of Utilita's portfolio is either pre-payment or smart metered, and hence Utilita are able to measure actual usage and would like sites to be reconciled on actual usage once reads have been submitted. This would help to avoid over-allocation.

2.0 Initial Discussion

Xoserve indicated that implementation would involve significant system implications. DA estimated that there are 3m prepayment meters and 4-7k smart meters. FC reiterated that these are only estimates using the prepayment flag which, not being a billable item, does not need to be updated and there are currently no flags for smart meters. DA provided an initial estimate, taking account of the assessment carried out for Modification 0270, of over £1m and 12 months to implement.

AM enquired if the modification would have an impact on Nexus. DA explained that Xoserve only have a limited amount of resources and some of this would need to be diverted, consequently impacting Nexus development.

The Workgroup considered AMR roll out in the small supply point market and if these meters can be included. HC was relaxed about the scope of the modification as long as it did not impact the implementation timetable.

AW questioned if Shippers would have an element of choice regarding what meter readings are submitted. HC confirmed that where readings are not submitted, these meter points would be managed through RbD.

FC explained the reconciliation process, which is triggered by the provision of reads reconciling up to the previously supplied read. Reconciliation is not necessarily undertaken month by month and can occur over a longer period.

CW enquired if there would be a change in mandatory requirements for supplying meter reads, highlighting that prepayment meters have a mandatory read provision of 2 years. HC confirmed no change is proposed to must read requirements.

It was clarified that credit meters were excluded from scope – the existing profile matches credit meter consumption but evidence suggests that the profile of pre-payment and smart meters is flatter. The Workgroup accepted that when customers switch from credit to smart meters, different usage patterns may be evident. AW requested that Shippers provide evidence on profiles for different types of meters in order to demonstrate why certain meter types should be managed differently. TD asked if Shippers (other than Utilita) would be able to provide evidence to support (or disprove) that usage profiles are different. All agreed to consider what could be provided and Xoserve were asked to collate responses submitted by Shippers.

FC explained that Xoserve could not provide validated data to demonstrate profiles are different as neither prepayment nor smart meters have separate logs to enable individual data streams. FC confirmed that, at present, Xoserve systems are not able to extrapolate data sets on certain criteria. FC explained that some analysis could be provided, but due to resources committed to Demand Estimation algorithms, Xoserve does not currently have the resources to validate data.

Action 0501: Shippers to provide to Xoserve evidence on the profile of credit and PPM/Smart meters – Xoserve to collate.

The Workgroup considered the management of unidentified gas through RbD and the AUG process. It was acknowledged that the modification needs to be clear on the treatment of unidentified gas and if a credit needs to be picked up from the AUG process.

EC enquired about performance assurance reporting - she would wish to seek reassurance that any new process is being managed properly.

The Workgroup considered whether the estimated costs and development time could be reduced with an alternative solution or a change in scope. FC explained that within Modification 0270 the RbD process was not amended. DA was concerned about the level of work and the timing requirements involved balanced with understanding the cost benefit. AW expressed an interest understanding any plausible alternatives considering the cost and benefit of these.

The Workgroup agreed it needed to look at the costs, benefits and business rules. The Transporters and Xoserve agreed to work with the Proposer to establish more detail on the business rules in time for consideration at the next meeting.

Action 0502: Xoserve and Transporters to support Proposer in producing Business Rules.

AM enquired about the movement of costs for credit meters which will remain within RbD. It was clarified that credit meters will still fall into the RbD for the allocation of gas within the small supply point market and face an increased cost to offset any reduction for other meter types. AM was concerned about this increase in costs - consumption would not change but costs would rise.

FC explained that, under project Nexus, the new allocation and scaling arrangements would result in all meters being reconciled and any un-reconciled gas would be smeared

across all sites. The smear is currently managed through RbD. AM agreed with the principle that costs need to be reflected as accurately as possible however he was concerned with costs moving to the credit meter market.

CB enquired about the transfer of supplier and the use of estimated readings when actual readings are not available. FC confirmed that this would need to be considered within the business rules. Estimated reads are used for reconciliation but not in the AQ review process.

It was suggested that, to ensure the timetable can be met, it would be helpful if any alternative solutions can be provided within the next two weeks.

3.0 Consider Terms of Reference

No issues were raised.

4.0 Any Other Business

None raised.

5.0 Diary Planning for Review Group

Further details of planned meetings are available at: www.gasgovernance.co.uk/Diary

Wednesday 29 May 2013, at Consort House, 6 Homer Road, Solihull B91 3QQ.

Tuesday 11 June 2013, at Consort House, 6 Homer Road, Solihull B91 3QQ.

Tuesday 02 July 2013, at Consort House, 6 Homer Road, Solihull B91 3QQ.

Thursday 25 July 2013, at Consort House, 6 Homer Road, Solihull B91 3QQ.

Action Table

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
0501	13/05/13	2.0	Provide to Xoserve evidence on the profile of credit and PPM/Smart meters – Xoserve to collate	Shippers	To be presented on 29 May
0502	13/05/13	2.0	Support Proposer in producing Business Rules	Xoserve/DNs	To be presented on 29 May