

## Modification 0451 Legal Text Questions

Version 4 (3 July 2013) passed to legal for text development. Draft text (not complete) passed back to NGN with queries. Text currently addressing UNC TPD Section E: Daily Quantities, Imbalances and Reconciliation by adding a new section to describe the eligibility and obligations to carry out activities.

### Queries

1. Text has provided for a new class of Individual NDM Reconciliation category – “Individual Eligible SSP Reconciliation”. Appears to be identified as being (i) EUC1 and (ii) the new prepayment EUC – please confirm this is the intention.
2. Does individual reconciliation of eligible SSPs lead to an adjustment to transportation charges? If so, please clarify this in the business rules. ✓
3. BR3 refers to a new EUC – this has been described by referencing H2 rules for EUC development – is this the intention?
4. The maths of the transaction is unclear – can all energy and corresponding financial transactions be clarified.
5. RbD calculations in UNC are carried out in the context of Reconciliation Billing Periods, not calendar months. Proposer needs to consider alignment between monthly reporting of eligible SSPs and Reconciliation Billing Period in which the required reconciliation of an eligible SSP is to be undertaken.
6. BR1.4 refers to Xoserve taking a snapshot of eligible supply points – does this information (Prepayment meter and/or Smart Meter in Prepayment mode) exist within the SPR for them to do this? ✓
7. Please confirm on which date the meter is required to be in prepayment mode or prepayment installed – date of the snapshot by Xoserve report, or some other date? ✓
8. BR1.5 – is this information (pre-payment mode) required to be stored within the SPR?
9. Does SPR record the prepayment mode? ✓ Not aware of any UNC rule requiring Registered User to inform Transporter that meter on prepayment mode or not – can User’s report in this respect be verified? Will prepayment/credit mode be recorded in the SPR – if so query consequential changes to Sections G1 and M3.2.
10. If reconfirmed to LSP before the 15<sup>th</sup> of a month it should not be shown on the report submitted to the Transporter – please clarify threshold crosser rules both up and down. ✓

11. BR5 refers to changes resulting from the AQ Review – what about changes other than as a direct result of an AQ appeal? **noted**

Broadly speaking the queries break down into a couple of main areas:

The definitions and eligibility:

Clarity over where data items are identified from – SPR or User? May require new definition for prepayment as not defined in UNC at present. Verification and storage of User provided data items also raised.

The EUC profile:

New EUC profile described in Modification – legal has referred this to Section H for it to be calculated in accordance with DESC rules. Is sufficient information available to carry this out?

The calculations:

Please clearly lay out each transaction chronologically – legal found it difficult to identify all steps of the calculations, specifically with reference to identifying the correct Reconciliation Billing Period (not months), pots for the transactions and counterparties to the transactions in the context of existing Reconciliation rules.

In order to get early clarity on these point NGN made enquiries to Xoserve. As a result, some of the points have now been clarified but will require clarity within the Modification itself so that legal can address issues with developing the legal text. These points are copied below. There are further areas of the queries that Xoserve are not able to clarify and it is necessary to obtain clarification and changes to the Modification by the Proposer.

Xoserve information provided:

**1. Pre-Payment information for ‘dumb’ meters – Rule 1.4**

I have double-checked and this information is held on our systems. My understanding is that there are two flows – meter mechanism and payment mechanism. We receive the former but not the latter, and therefore do have the information to identify ‘dumb’ meters in pre-payment mode as this is held in the mechanism field.

As discussed, as we are unable to identify Smart meters in pre-payment mode, this information will therefore be provided by the Shipper’s snapshot.

**Provides a response to queries 6 & 9 above in terms of identifying items – further clarity required within proposal and issues of verification to be addressed.**

**2. Adjustment arrangements**

As discussed, the sites will initially be calculated against the original EUC band (i.e. following the usual process), with a subsequent adjustment being raised for the difference between the default profile (as determined by the EUC band) and the developed pre-payment profile. This will result in a credit or a debit, depending on season.

In answer to your query, the adjustment will cover all charging elements (energy/capacity/commodity), with Transportation being credited at the same rate at which it was charged. In the scenario of the adjustment being a debit, Transportation will be charged at the rate at which it should originally have been charged.

Provides clarification on query 2 – more detailed description of initial transaction provided.  
Further clarity on the rest of the transactions in the context of existing RbD rules required.

### 3. Reconfirmations

Last week we discussed that a site must be an SSP in order to be eligible for this modification.

Reconfirmations before the snapshot date (up to 15<sup>th</sup> of the month) –

- If a site is reconfirmed as an LSP before the snapshot date, it will not be eligible.
- If a site is reconfirmed as an SSP before the snapshot date, it will be eligible, but will also need to be captured in the snapshot and pass the relevant checks (i.e. appearing on the supply point register) in order to receive the adjustment.

Reconfirmations after the snapshot date (from 16<sup>th</sup> of the month onwards) –

- If the site was an SSP and appeared on the snapshot, but is then reconfirmed as an LSP after the snapshot date, it will still receive the adjustment for that month.
- If the site was an LSP and therefore was not eligible for the adjustment, but is then reconfirmed as an SSP after the snapshot date, it will not receive the adjustment for that month.

Essentially the site's status as at the snapshot date governs whether it receives the adjustment, so the status as of 15<sup>th</sup> of the month is taken to be the case for the whole of that month.

Provides clarity of threshold crosser rules (query 10) and qualifying date (query 7)

From our conversation, I also have the following queries noted down –

4. Definition of 'pre-payment meter' required **query 9**
5. Rule 2.3 - wording required to clarify the EUC arrangements **queries 1 & 3**
6. Rule 5.1 - Also needs to cover AQ reviews **query 11**
7. Wording required to assimilate RbD months / reconciliation billing periods / calendar months **queries 4 & 5**

