

Pre-Nexus Xoserve settlement intervention activities

1. Introduction

The Performance Assurance Workgroup (PAW) has focussed on matters that impact the performance of gas settlement regime. Primarily this has been on the Shipper activities e.g. read submissions etc. The PAW has identified that currently Xoserve intervene in the settlement regime, and also undertake services that are indirectly linked to the settlement regime. The PAW has requested information on the nature of Xoserve intervention and the process controls for certain activities.

This report provides information on the topics raised by the PAW and how they work in the post-Nexus regime.

2. Topics as raised by the PAW

The following are the topics as matters for consideration (as submitted for 4th February PAW meeting)

<http://www.gasgovernance.co.uk/sites/default/files/Update%20for%20Outstanding%20Action%20from%20A%20Love.pdf>

The topics raised are:

Manual workarounds (these were referenced in the Engage report of 14th November 3.2.1)

Rejection of readings

AQ of 1kWh validation tolerance (and low AQs)

M number creations

Shipper Agreed Reads acceptance

Consolidated rejection codes and not keeping up to date

Failure to check/stop duplicate MPRNs

Meter point statuses – ensuring allocation and settlement where gas is or can be consumed

Setting meter points to “dead” (e.g. Whaley Thorns)

Mis-interpretation of Schedule 11 to 13 of the SPAA

2.1 Manual workarounds (these were referenced in the Engage report of 14th November 3.2.1)

The extract from 14th November report is shown below. The 14th November report was a draft issued for review. The latest published version (9th January 2015) has an amended section 3.2.1, this is also shown below. In each case the bold text refers to the relevant words.

14th November report

3.2.1 Transition to Project Nexus

This report identifies new risks arising from the Project Nexus settlements arrangements and risks that new arrangements inherit from the current arrangements.

The Project Nexus BRDs do not document significant detail to enable a full analysis of the transitional settlements regime between 1st October 2015 and 30th September 2016. Consequently, there may be additional risks arising through uncertainty that have not been considered within this analysis.

We anticipate the initial effectiveness will depend on the development of further transition rules and modifications. In order to rollout successfully the Project Nexus changes **there is risk that Xoserve will have to implement a number of manual workarounds**. There is also a risk that there is insufficient time to document all the required transitional operational arrangements. The additional rules may be inconsistent with the enduring Project Nexus rules. This work is currently ongoing and is being completed as part of the Project Nexus workgroup.

Co-operation between transporters, shippers and Xoserve will be necessary to improve data quality and ensure a smooth transition, and wherever possible the effective allocation of gas. When all the transitional rules are fully documented, some basic controls could be implemented through a performance assurance framework to facilitate an orderly transition to Nexus settlement arrangements. Any transitional controls will be outside the scope of this study due to the rules and process uncertainty.

9th January report

3.2.1 Transition to Project Nexus

This report identifies new risks arising from the Project Nexus settlements arrangements and risks extended from the current arrangements.

The Project Nexus BRDs do not document sufficient detail to enable a full analysis of the transitional period between 1st October 2015 and 30th September 2016 where RbD will remain to deal with any reconciliation activity that pre-dates 1st October 2015. Consequently, there may be additional risks arising through uncertainty that have not been considered within this analysis.

We anticipate the initial effectiveness will depend on the development of further transition rules and modifications. In order to rollout the Project Nexus changes successfully there is risk that Xoserve will have to implement manual workarounds, **however Xoserve have notified Engage Consulting that there are currently no plans for any manual work around solutions post Nexus implementation**. Xoserve's actions may create risk, but this is very difficult to assess if they are not documented. There is also a risk that there is insufficient time to document all the required transitional operational arrangements. The additional rules may be inconsistent with the enduring Project Nexus rules. This work is currently ongoing and is being completed as part of the Project Nexus workgroup.

Co-operation between transporters, shippers and Xoserve will be necessary to improve data quality and ensure a smooth transition, and wherever possible accurate settlement of gas. When all the transitional rules are fully documented, some basic controls could be implemented through a performance assurance framework to facilitate an orderly transition

to Nexus settlement arrangements. Any transitional controls will be outside the scope of this study due to the rules and process uncertainty.

2.2 Rejection of readings

From previous PAW meetings, Xoserve understands this topic is in relation to the application of the read tolerances developed by the industry for modification 0432. The suggestion is that Xoserve may not enter the correct value in one of the UK Link tables.

Any variable values in UK Link that are entered by Xoserve are subject to a controlled process.

To update (be it populate a new value for the first time or amend an existing value) a change request is submitted to UK Link. The change request requires a description of the change and a reference / source point for the values to be updated (the values are not copied from the original document, the original document is referenced as the source).

The change request is subject to review and approval. Once approved it moves into the delivery phase and the UK Link team schedule the work. The work is planned which includes quality assurance stages. Once the values have been updated both UK Link and operational teams check that the values match the source data. In certain circumstances additional testing is completed that tests the values work as expected in the relevant processes.

A post change review is completed and once again the values applied are checked against the values from the original source.

2.3 AQ of 1kWh validation tolerance (and low AQs)

Presently, with the existing read validations, Xoserve intervene in the AQ process and suppress AQs that are not reflective of the supply point consumption and the existing AQ rolls forward.

Post Nexus implementation, with the new read validation in place, Xoserve will no longer intervene in the AQ process. Where a read is accepted and an AQ is calculated the AQ will be released.

There are some transitional validation rules being applied to the AQ calculation. Where an AQ is calculated using a pre Nexus read, the calculated AQ will be subject to a tolerance check against values agreed by the industry. This is a recent development and is being progressed at the Nexus Workgroup. A UNC modification will be raised to give contractual effect to this process.

2.4 M number creations

Xoserve, at the request of utility infrastructure providers and Shippers create MPRNs on UK Link. This creation process has a number of process controls and validations before a MPRN is created. The controls and validations include:

- The CSEP status of the MPRN / address
- The LPG status of the address provided
- The requested MPRN is validated for duplication on UK Link
- PAF validity is confirmed against Royal Mail address data. This check may not be applicable against sites that have not yet been registered with Royal Mail e.g. plot addresses.

2.5 Shipper Agreed Reads acceptance

In an early version of the Engage report it was suggested, without supporting evidence, that a large number of Shipper Agreed Reads were rejected. Xoserve provided the rejection numbers which show a rejection rate of between 16 and 27% per month.

<http://www.gasgovernance.co.uk/sites/default/files/Shipper%20Agreed%20Reads%20stats.pdf>

The PAW requested further information on the rejection reasons. This is shown below.

Post Nexus the shipper agreed read process will change in that modification 0424 creates arrangements for reads to be replaced. This will mean that rejection code 432 (just co-incidence that it is the same as the Nexus Settlement mod number) will cease to apply.

Rejection codes	Code	Sept	Oct	Nov	Dec	TOTAL
Calendar does not exist	1	0	1	0	0	1
Meter Read Index is invalid	400	5	2	1	1	9
Meter Round The Clock Count has not been provided	413	77	160	45	17	299
The System User providing the read is not responsible for the Meter Point	414	9	4	2	2	17
Meter Point is not subject to an unbundled meter reading service	415	1	1	1	1	4
Meter Serial Number on the read does not match that held on UK Link	419	60	86	34	30	210
Meter Read does not have the expected number of digits	420	27	54	35	31	147
Corrector Serial Number has not supplied but a corrector is fitted	428	0	2	0	0	2
Corrector Round the Clock Count has not been supplied	429	0	2	0	1	3
Meter Point already has a read for a later date	432	554	1294	744	624	3216
Meter Point has no opening read to be replaced	435	0	2	0	0	2
Meter Read has a future read	437	0	3	0	0	3

date						
Corrector Uncorrected Read not supplied but corrector fitted and is usable	439	0	0	0	1	1
Meter Serial number is for a previous meter	567	10	20	9	2	41
Meter Point Status is Dead	589	1	1	1	0	3

2.6 Consolidated rejection codes and not keeping up to date

Xoserve understand this to be a matter for the UK Link Committee not the PAW.

2.7 Failure to check/stop duplicate MPRNs

There will be occasions when Xoserve receive and accept a request to create or amend a meter point, for which a meter point already exists on UK Link. When identified this results in a duplicate query being raised.

The M Number creation controls are detailed in section 2.4.

The number of duplicate queries received an accepted is show in the table below

	Jul	Aug	Sep	Oct	Nov	Dec
Closed Valid	17	25	18	16	34	11
Closed invalid	27	30	21	52	64	124
Auto closed (no response)	27	44	43	24	54	32
Remain open	0	0	0	0	1	3
Total	71	99	82	92	153	170

The above table demonstrates the number of Duplicate Contacts received by Xoserve in 2014.

2.8 Meter point statuses – ensuring allocation and settlement where gas is or can be consumed

Xoserve understands this topic has been raised as a result of presentation material associated with the 2012 AQ review, a copy of the slide is shown below.



Reason	Total Count Of MPRNs													
		CA	CL	CU	DE	EX	RE	FA	IN	LI	MM	SP	OT	
AQ not calculated due to the absence of reads since the previous AQ calculation	498,667	2,369	269	60	2,132	2	421	2	1,378	491,913	1	10	110	
Calculated annual quantity is negative	206,186	786	90	19	65		149	1	525	204,490		7	54	
Consumption gap. AQ calculated based on reduced metered period	80	29					3			48				
Consumption gap. AQ not calculated	983	318	1	3	4		17		2	638				
Consumption overlap. AQ calculated based on reduced metered period	776						1		2	773				
Consumption overlap. AQ not calculated	10,863	39	3	2	8		11		22	10,777			1	
Consumption starts more than three years before Target Opening Date	2,521	14	1		1				5	2,498			2	
Insufficient Consumption Data to Calculate AQ	1,004,206	9,191	615	141	3,325	61	901	6	2,467	987,239	1	25	234	
LDZ Calorific Value does not Exist	7									7				
Meter read request does not exist	2,012	11	3		3				4	1,991				
Meter Reading Frequency does not exist	11						11							
Reconnection does not exist	1									1				
Reconnection Effective date is in the relevant metered period. AQ not calculated	56,194	7,138	1,033	159	3,798	52	78	1	110	43,797		22	6	
Supply Point does not exist	12									12				
Supply Point History not contiguous over whole of relevant metered period	15,537				1					15,536				
Totals	1,798,056	19,895	2,015	384	9,337	126	1,581	10	4,515	1,759,720	2	64	407	
		33,338						1,764,311						

Deemed - Predicted Gas Consumption
 Other

Not Deemed - No Gas Consumption

Xoserve is still to provide a response to this topic.

2.9 Setting meter points to “dead” (e.g. Whaley Thorns)

The Gas Transporters maintain the meter point status (the status of the service pipe). On some occasions, it is understood that, the Gas Transporters have incorrectly set a meter point status to Dead. Once set to this status it cannot be amended and the only resolution is for a new MPRN to be created.

Post Nexus, a Dead meter point can be re-set to Live, via a query process on CMS.

Whaley Thorns is, currently, a unique episode. This is an iGT network that was adopted by a Distribution Network. There were, and possibly still are, some difficulties created by the adoption of this network. The process for how to manage these situations in the future is being developed under the Distribution Workgroup.

2.10 Mis-interpretation of Schedule 11 to 13 of the SPAA

Further clarification has been provided on this topic. The matter is a general topic to recognise the need for assurance in Xoserve’s specific role, relative to the activities performed by Xoserve as the Transporter Agency, not to a settlement performance standard but to a more specific principle – is Xoserve (as the Transporter Agency) doing what it is supposed to do - correctly and efficiently.

Having received this clarification Xoserve is still to provide a response to this topic.