Rolling AQ Review Group 0209 Suggested Solution for SSP, LSP & New Business Appeals Process – EDF Representation

27th June 2008

There needs to be consideration taken around the existing AQ Appeals processes and how relevant/functional these will be in relation to the Rolling AQ MOD proposal.

It must be made clear that the information in this document does not indicate that there is a requirement for a future AQ Appeals process as such; the discussion must be around how an erroneous read can be excluded from any AQ calculation.

Where an erroneous read has previously been submitted and is being used in the AQ calculation month on month, there needs to be a way of either replacing this read or flagging it for exclusion from future AQ calculation.

The current read replacement facility allows a read to be replaced if it is the last accepted read into xoserve's systems. However if a subsequent successful read has been received, any previous read cannot be replaced.

Depending on how the USRVs will be dealt with depends on how relevant the appeals process will become. If it is decided to mirror the USRV validations across to the AQ calculation process, then this along with the EDF suggested validations should prevent the majority of erroneous reads being used in the AQ calculation, however without this there must be a way to flag a read for omission from the AQ calculation.

Current Processes:

SSP – There is no current functionality to support an AQ Appeal for SSPs

LSP – The current LSP process allows an AQ that has been set either by the review process or by a prior appeal to be challenged and revised.

This is done by sending a series of flows ASI requesting AQ to be recalculated using reads in this file (with ASO response of AC – offering revised AQ value or RJ) /API confirming acceptance of revised value and requesting appeals reference number (with APO response of AC – providing appeals reference or RJ)

On receipt of the appeals reference number, this may be used within the NOM flow to begin the re-registration process of a particular site. If the registration process is followed correctly, the revised AQ will 'go live' as of the new confirmation effective date.

NEW BUSINESS APPEALS (LSP ONLY) – The current functionality requires a fax template (BTU form) to be completed and submitted (within confirmation effective date + 23 days) containing proof that the AQ obtained at the point of registration was incorrect. An API file must be submitted alongside the BTU form flagging that manual checking of the submitted BTU is required.
This could be in the form of previous supplier reads and/or site usage data e.g. 2 boilers on site in use 8 hours a day consumes X Kwh per year.

Proposed processes:

SSP/LSP – There is a requirement within the Rolling AQ Review Modification for there to be a way of replacing or 'ignoring' an erroneous read.

In an ideal world, the proposal would be to amend the current read replacement functionality to allow for an erroneous read to be replaced. However, this has been discussed at previous development workgroups and the cost implications along with the fact that this would be another MOD requirement to be implemented alongside the Rolling AQ make this option highly unlikely, although not impossible.

The second option would be to have a facility to flag a read as unsuitable for use in the AQ calculation. For this there are 2 options:

- To create a new flow as part of the Rolling AQ MOD that is specifically for this purpose
- To add a facility within an existing flow e.g. UMR/U01 to enter a read date and read (optional fields) for exclusion from any future AQ calculation. It does have to be considered that in this option, the UMR flow would be submitting a new read but would also contain information referring to a previous read. If an invalid read date or read is entered for exclusion for AQ purposes, it would require a file rejection to be returned to the submitting shipper which would in turn reject the newly submitted read.

NEW BUSINESS APPEALS/SUPPLIER GAINS –

The question needs to be asked: is there really a requirement for an alternative to this process or in fact does this process need to remain at all?

The current process is reasonably lengthy and by the time this process has been completed, a revised AQ will have more than likely have been calculated and submitted to the new supplier.

An answer needs to be found around the following questions:

1. What would be the process if the previous supplier had submitted incorrect read data which is being used to calculate the AQ each month?

   Could this data be replaced in this circumstance or could the previous supplier reads be flagged for exclusion as per the proposed process for LSP/SSPs in the section above?

2. How will registering a site with an incorrect AQ affect different suppliers' quotations/pricing strategy?

   If a quote on contract rates is made based off on the AQ at the point of registration will this be a problem if registering a site with an 'erroneous' AQ based on read data supplied by another supplier?

   Does this really change anything from the current process?