

User Pays User Committee

15th February 2011

Agenda

- Change Management
- ACS Review April 2011
- Operational Update
- Modification Update
- AOB

Change Management

UPCO003- IAD Transactional Charging

- Change Order proposing a change to the method of charging for the IAD service from a charge per IAD account to a transactional based charge to be delivered in parallel with the existing IAD replacement system presented at September UPUC.
- History - Change Order approved following voting, and submitted to xoserve to prepare an Evaluation Quotation Report (EQR).
EQR presented at November UPUC - approved following voting.
As requested BEO produced by xoserve, requesting production of BER.
BER presented at January 2011 UPUG and actions raised
- BER to be discussed at February 2011 UPUC
- Clarify consultation period & UPUC member voting (as per UPUC ToR)
- Agree next steps

Agency Charging Statement

Revision for 1st April 2011

Objectives

- Set ACS Prices for 1st April 2011
- Summary of the ACS Annual Report
 - Forecast costs for this year 2010/11 and next
 - Demand forecasts
 - 2010/11 forecast financial performance
 - 2011/12 forecast financial performance
 - ACS price changes for 1st April 2011
- Timeline

What have we done?

- Updated forecasts
 - Revised demand forecasts for 2011/12 based on actual service usage & customer updates
 - Reviewed cost forecasts in light of actual costs and forecast demand for service provision for 2010/11 and next year including a forecast of efficiencies
- The return for 2010/11 is forecast to be £190k above a 6% margin
 - xoserve is planning to rebate this over-recovery to customers by reducing the 2011/12 prices for the service lines where the over-recoveries are forecast to occur
 - Over-recovery is down to demand being higher for the services than forecast

Annual Report in Summary: Forecast Costs

- Forecast cost of User Pays service provision
 - 2010/2011 - £2.72 million
 - 2011/2012 - £2.89 million
- First overall cost increase since User Pays was introduced in 2008
- Increase is mainly due to the introduction of additional services, predominately DM Elective, and inflation
- In real terms User Pays costs are 25% lower than 1st April 2008, plus we are delivering more services

Annual Report in Summary: Updated Demand Forecast for User Pays Services

- Review of demand forecast took into account
 - Actual use to date
 - Updated customer forecasts (where received)
 - For ad-hoc services historical data was used to create a trend
- Results
 - IAD demand is 19,500 accounts (up from 17,500)
 - Telephone services demand has decreased by 21,000 calls
 - Email reporting demand has doubled
 - MOD 192 USRV service resolution remains low
- Demand forecast table updated with new demand volumes, published as Appendix 2 of the ACS and included in the Review Report

ACS Prices

- Prices continue to be set in accordance with the charging methodology set out in the approved ACS
- Prices are a direct relationship between the forecast cost of providing the service and forecast demand plus a margin (6% as agreed by Ofgem) plus any adjustment for an over or under recovery in the previous year
- There are price changes in the 2011/12 ACS
 - Prices are falling for five services
 - Prices are going up for three services plus User Admission

ACS Prices – IAD and Telephone

- IAD
 - Proposed monthly charge £6.60 per account
 - Reduction against the annual average charge this year of £6.90
 - The reduction has been achieved through a combination of increased demand and an over recovery from the previous year

- Telephone Enquiries
 - The proposal is to increase prices for all the telephone bands
 - This is reflective of an increase in associated costs (both people and system support although we have tried to keep these to a minimum) and a decrease in demand
 - For example; Band B (the most popular band) will increase to £2,844

ACS Prices – Email Reporting and SARs

- Email Reporting
 - There has been a significant increase in demand for email reporting services which is forecast to continue. This has resulted in a forecast over recovery for 2010/11 which means prices will be reduced for 2011/12
 - The new price for the report for less than 1,000 MPRNs is £55
 - The new price for the report for greater than 1,000 MPRNs is £80

- Shipper Agreed Reads (SARs)
 - Customer demand has shifted away from facsimile and in general SAR demand has fallen
 - U01 file prices have increased by £0.01 to £0.11
 - Email and facsimile new prices are £2.65 and £9.20 respectively

ACS Prices – Must Reads and USRV Resolution Service

- Must Reads
 - Prices for 2011/12 yet to be confirmed
- USRV Resolution (MOD 192 service)
 - The new price for a desk top resolution is £75
 - The new price for a desk top and site visit resolution is £121 + the individual Network site visit cost
 - The price has increased due to a lower demand

ACS Prices – MOD 279, DM Elective, User Admission

- MOD 279 is a new reporting line for read history effective from 01st April 2011; the price is £270
- DM Elective charges remain unchanged despite zero take up, this is a deliberate decision in an attempt to not discourage demand
- User Admission price has increased to £4,700 due to a re-evaluation in the time taken to manage a new entrant

ACS Prices – M Number DVD, AQ Enquiries, Portfolio Reporting

- The M Number DVD price has dropped to £968 for the annual product. This reflects an increased demand for this service and an expected over recovery for 2010/11
- AQ enquiries new price will be 1.5 pence, a reduction from 2 pence, due to an increase in demand
- Portfolio Reports will reduce in price by 26% due to additional services being delivered with no increase in staff numbers plus an over recovery forecast for 2010/11

Updated Revenue Forecast 10/11 and 11/12

	2010-11 £m	2011-12 £m	Average £m
Provision of Information	2.55	2.34	
Registered User portfolio Reports	0.11	0.09	
AQ Enquiry	0.06	0.04	
Must Reads	0.24	0.22	
Shipper Agreed Reads	0.08	0.09	
User Admissions	0.05	0.06	
MOD 192	0.01	0.01	
DM Elective	0.00	0.03	
Total Revenue	3.11	2.88	2.99
Total Costs	2.72	2.89	2.81
Margin	0.39	-0.01	0.19
Return	12%	0%	6%

Timeline for the ACS Review

- Customers' comments requested by 21st February to xoserve.userpays@xoserve.com
- Review Report, revised ACS and customer responses to Ofgem on 1st March
- New prices effective from 1st April

Operational Update

Telephone Service Line

	No of calls	Service Availability (target 95% availability)	Call answering (target 90% within 30 seconds)
January	23,764	100%	91%
December	17,086	98.96%	93%
November	25,071	100%	90%

IAD Service Line

	Number of Accounts	Availability (Target 97% availability during core hours)
January	19,750	100%
December	19,250	100%
November	19,250	100%

Email Report Service Line

	No. of email reports	Performance (2 and 5 business days)
January	117	100%
December	79	100%
November	131	100%

Portfolio Reports

	Reports sent in the month	Performance standard
January	110	100%
December	110	100%
November	110	100%

AQ Enquiries

	Number of AQ Enquiries processed	Performance (Target process by end of second Business Day)
January	4,024	100%
December	6,090	100%
November	32,893	100%

IAD Account Transaction Volumes

	Accounts Created		Password Resets (e-mail)	
	Number	Within 10 days	Number Requested	Completed within Month
January'11	442	100%	359	359
December'10	307	100%	447	447
November'10	501	100%	531	531
October'10	536	100%	477	477
September'10	598	100%	389	389
August'10	565	100%	232	232
July'10	497	100%	287	287
June'10	365	100%	0	0
May'10	421	100%	165	165
April'10	405	100%	0	0
March'10	657	100%	0	0
February'10	642	100%	0	0

IAD Account – Deletion volumes

	<i>Accounts Deleted</i>		
	<i>Number</i>	<i>Within 10 days</i>	<i>Comments</i>
January	62	100%	
December	250	100%	
November	889	100%	<i>855 deleted via Bulk Request</i>

Modification Update

Modifications identified as potential User Pays

- 0209 – Rolling AQ
- 0270 – Aggregated monthly Reconciliation for Smart Meters
- 0274 – Creation of a National Revenue Protection Service
- 0277 – Creation of Incentives for the Detection of Theft of Gas (Supplier Energy Theft Scheme)
- 0282 – Introduction of a process to manage Long Term Vacant Sites
- 0292 & 293 – Proposed change to the AQ Review Amendment Tolerance for SSP sites
- 0326 - Allocation of unidentified gas following the appointment of the Allocation of Unidentified Gas Expert (AUGE)
- 0330 – Delivery of additional analysis and derivation of Seasonal normal weather
- 0331- Demand Estimation Section H Changes to Processes and Responsibilities

Modifications identified as potential User Pays

- 0335 – Offtake Metering Error Payment Timescales
- 0336 – The Introduction of a Balancing Neutrality Adjustment Charge for Cost Recovery Associated with Rating Services
- 0337 – Introduction of an Inter-Day Linepack Product
- 0346 – An Alternative to the Supplier Energy Theft Scheme Based on Throughput
- 0347v – Amend NTS Exit Capacity Assignment Start Date
- 0351 – Enduring Exit Overruns – Deemed applications
- 0353 – Population and Maintenance of the Market Sector Code within the Supply Point Register
- 0357 - Enhanced Supply Point Administration Process
- 0358 - I&C Compensation for Emergency Interruption

A O B