



# 836 - Resolution of Missing Messages following Central Switching Service implementation and integration with REC Change R0067

Distribution Workgroup – May 2023

# Content

- Updates on:
  - Materiality test
    - Some really useful input – progress update!
    - Views sought regarding proposal
  - Meter Reading attributes
- Reminder about other components in the Mod:
  - CDSP ability to initiate UKL Registration
  - Responsibility for Settlement (NB: now proposed to be subject to materiality!)
- Revised Modification review

# Materiality of Invoice Adjustments

Following update provided (recreated for information) in April:

- Following implementation of R0067 we will have **Resend** functionality which will mean that volume of Missing Messages should reduce, if CSS cannot resend for whatever reason we would invoke **Refresh**
- **Refresh** will mean that there is a discrepancy between the CSS Registration Effective From Date (EFD) and the UKL Registration EFD as we cannot request the Refresh until after the Registration has gone live (i.e. post Midnight and post the closure of Gate Closure window and therefore the initiation of the downstream processes in UKL and Gemini)
- R0067 design has Refresh as a manually instigated job[, so will be initiated the next Working Day]
- For the Registrations that we have progressed as part of the Missing Message catch up we allowed [5 Working Days] prior to the UKL Registration EFD to allow for BRN submission and Shipper preparedness taking account of it being first run
- We hope to reduce this timescale in future runs – subject to Shipper approval, it is therefore conceivable by R0067 implementation that we could get this down to 1 or 2 Working Days

*All timings subject to development and process refinement, and agreement with Shippers*

# Some Principles for Adjustment

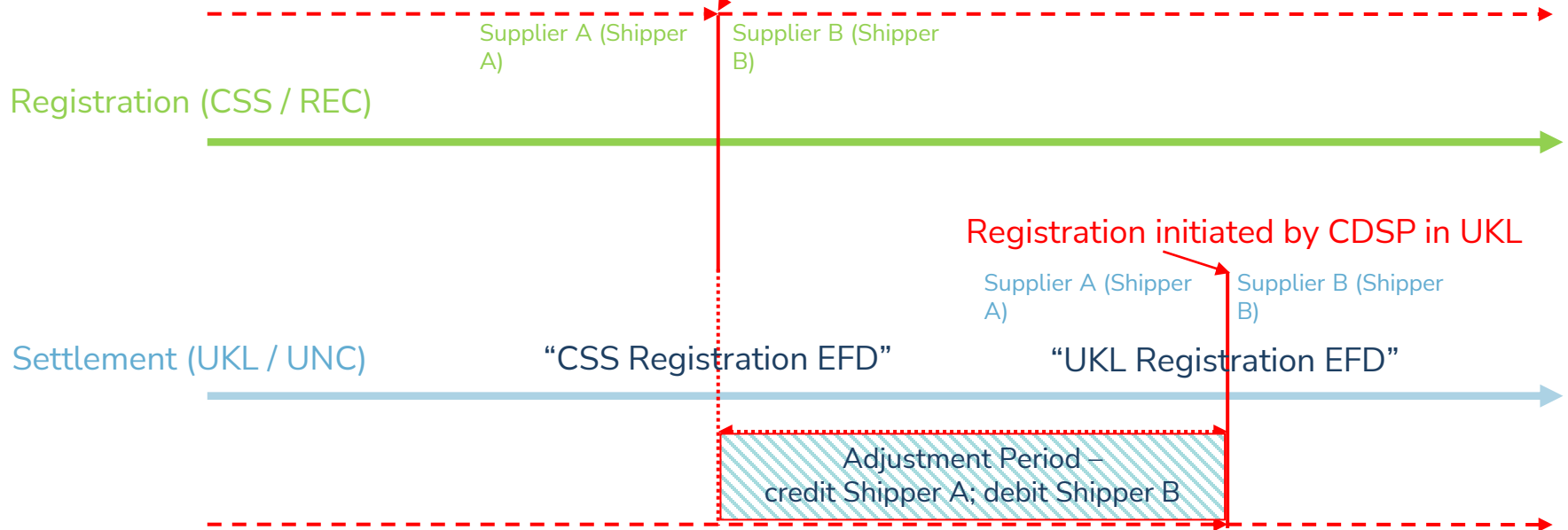
- Adjustment will be a credit to Shipper A which will be based on the Settlement Details in the Adjustment Period
- Adjustment will be an equal and opposite charge to Shipper B ...
  - This will mean that Shipper B is getting billed based on the Supply Point Register during the Adjustment Period (which will be based on Shipper A Settlement details)
  - Largely should not be material but variations such as Customer Charge; Class Type and SOQ Changes (for Class 1 and 2 sites) will not be reflected
  - Ratchets 🦴🦴🦴 – some scenarios may mean Ratchet occurs or is avoided!

# Vanilla Supply Point Scenario

Following reference material provided (recreated for reference, if required) in April:

- Example Scenario:

Missed Message Registration



# Materiality Test

Following reference material provided (recreated for reference, if required) in April:

- As part of the assessment of the materiality of the issue we provided a view of materiality of the issue per site – per day ...

	Typical Domestic Property	Average sized Industrial/ Commercial Property	Very large Daily Metered site
Assumed AQ (kWh)	16,258	564,000	139,500,00
Peak Day Consumption (SOQ – kWh)	149	3,528	687,032
Typical Transportation Charges per Day	£0.70	£7.35	£535.85
Average gas allocation per day kWh/cost	45 kWh £1.76	1,545 kWh £60	382,252 kWh £14,907
Peak day gas allocation per day kWh/cost (i.e. worst case scenario)	149 kWh £11.18	3,528 kWh £265	687,032 kWh £51,527

- Switch not processed – old Shipper continues to be billed, new Shipper not billed

- As the vast majority of sites impacted to date are SSP / Domestic the above daily costs are very low (estimated as Transportation is £0.70; Energy costs are £1.76)
- Process would generate large numbers of small adjustment invoices that has the effect of moving cost from Shipper A to B
  - There is a cost to all industry parties to process and manage such adjustments

# Materiality Test Options

- In April we discussed three options:
  - *Defined Monetary Value – e.g. [£30]*
  - *Defined Period – leaned heavily on the Class 4 Opening Meter Reading which was removed from UNC in July '22*
  - *Using other industry precedent*
    - *Supplier Agreed Reading Materiality threshold*
- In April, principle of 'Materiality Test' was positively received
- Subsequent feedback suggested that SAR Methodology was favoured
  - Other views welcomed!!!

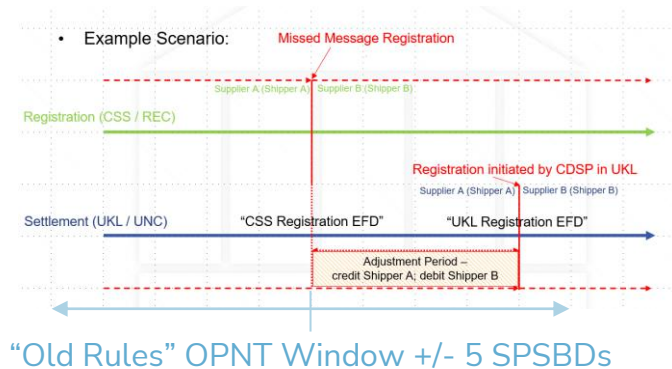
# Materiality Test - UNC

5.13.3 – For the purposes of paragraph 5.13.2(a) the Read Date must be:

- Prior to implementation of Central Switching Service – Old Rules - the Opening Meter Reading for Class 4 Supply Meter Points could be obtained within an eleven working day window (+/- 5 Supply Point System Business Days)
- Note: we are proposing that the period between UKL and CSS Registration EFD is 5 days (or less) once identified the following working day from the CSS Reg EFD, subject to Shipper agreement
  - But is likely that the UKL Registration EFD would be within the previous Opening Meter Reading window (for the CSS Registration EFD) – therefore would have been treated as if the Reading has been taken on the CSS Registration EFD under the old rules
  - (Note: this was only changed to prevent confusion about the fact that the OPNT Read Windows would have overlapped with 'next day Switching')
  - although note that there remains the likelihood of exceptions being identified some time after these potentially go live in CSS – note recent example of circa 150 Registrations notified recently:

Pot 7 Missing Pend & SAM (Stalled) - Sent to DCC / Pending DCC  
 Pot 8 Missing Messages - Sent to DCC / Pending DCC

- (a) — where the Supply Meter Point is or (following the Supply Point Confirmation) will be in Class 1, Class 2 or Class 3, the Supply Point Registration Date;
- (b) — ~~except as provided in paragraph (a), a day within the period of 11 Supply Point Systems Business Days commencing 5 Supply Point Systems Business Days before the Supply Point Registration Date.~~



Option Discounted:  
 Old Code principle  
 Only applied to Class 4



# Materiality Test - REC

- Materiality Test in REC Schedule 30 – Consumer Facing Switching and Billing Issues is that difference must be in excess of 1,200kWh to initiate a dispute
  - Based on previous slide – this is a materiality of circa £50 energy costs (...Shippers to confirm on latest rates)
  - For an ‘average’ domestic property this is 7.5% of average AQ

Option Proposed:  
Established materiality test  
‘Similar’ context

9.4. The [Energy Supplier](#) contacted by the [Consumer](#) shall consider the specific circumstances as detailed below:

- (a) where the difference between the [Energy Supplier's](#) view of consumption and that derived from the initial [Switch Meter Reading](#) is 1,200 kWh or less for a gas [RMP](#) or 250 kWh or less for an electricity [RMP](#), then the [Energy Supplier](#) shall not

Resolution of Consumer Facing Switching and Billing Issues  
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dispute the [Switch Meter Reading](#) unless the [Consumer](#) specifically requests a new [Switch Meter Reading](#), but shall instead attempt to resolve the dispute with an accommodation (e.g. cash allowance to the [Consumer](#)), thus retaining the initial proposed [Switch Meter Reading](#), so that no further action is then required; or

- (b) where the [Consumer](#) is unwilling to accept an accommodation, or the difference between the [Energy Supplier's](#) view of consumption and that derived from the [Switch Meter Reading](#) is more than 1,200 kWh for a gas [RMP](#) or more than 250 kWh for an electricity [RMP](#), then the [Energy Supplier](#) shall initiate a dispute.

# Timing Considerations

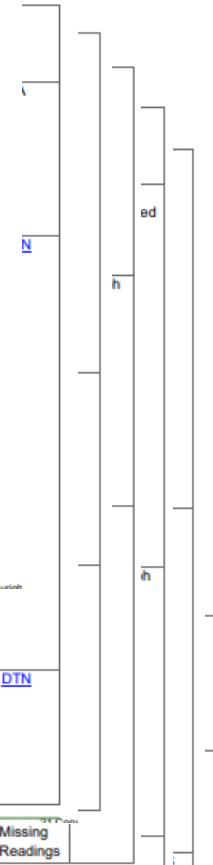
- REC Schedule 30 defines process for Agreed Readings, progresses through stages of agreement – including telephone calls, contacting the consumer and obtaining a Meter Reading from an MRA...
  - Can take up to 35-40 WDs from identification for NEED for SAR.
- Materiality test is intended to be a one-off assessment at M+2 – is this timing acceptable?
  - Does it need to be extended to allow for Replacement Readings?

9.11. The interface table below sets out the process and maximum timelines for resolving [Switch Meter Reading](#) problems.

Ref	When	Action	From	To	Interface	Means
9.11.1	Within 5 WDs of either:  (a) a <a href="https://emar.energycode.es.co.uk/m/resources/TX_cYHtmF_STEeuGWeSXvTEFcQ_Meter_Reading">Switch Meter Reading</a> where no actual or estimated <a href="https://emar.energycode.es.co.uk/m/resources/TX_cYHtmF_STEeuGWeSXvTEFcQ_Meter_Reading">Switch Meter Reading</a> has been obtained; or  (b) a <a href="https://emar.energycode.es.co.uk/m/resources/TX_cYHtmF_STEeuGWeSXvTEFcQ_Meter_Reading">Switch Meter Reading</a> where the original <a href="https://emar.energycode.es.co.uk/m/resources/TX_cYHtmF_STEeuGWeSXvTEFcQ_Meter_Reading">Switch Meter Reading</a>	Send an Initial Request to:  • agree a <a href="https://emar.energycode.es.co.uk/m/resources/TX_cYHtmF_STEeuGWeSXvTEFcQ_Meter_Reading">Switch Meter Reading</a>  • agree an alternative <a href="https://emar.energycode.es.co.uk/m/resources/TX_cYHtmF_STEeuGWeSXvTEFcQ_Meter_Reading">Switch Meter Reading</a>	<a href="#">Initiating Supplier</a>	<a href="#">Associated Supplier</a>	For Gas RMP(s)  SAR Flow (Initial Request)  For Electricity RMP(s)  Disputed Readings or Missing Readings on Change of Supplier <sup>d</sup>	DTN

9.11.4	Within 5 WDs of 9.11.1; where the <a href="#">Associated Supplier</a> does not	Provide a response to the initial request either:  a) proposing a proposed read	<a href="#">Associated Supplier</a>	<a href="#">Initiating Supplier</a>	on Change of Supplier <sup>d</sup>  SAR Flow (Initial Respons	DTN
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Missing Readings	where a <a href="#">Switch</a> accepting the read agreed by	SAR
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# CSS Effective Date Meter Reading

- We have proposed to insert a Meter Reading into UK Link systems so that:
  - provides distinct reconciliation periods so that this can be attributed from Shipper A to Shipper B as part of any adjustment
  - Under the proposed Materiality Test this will be used to determine the kWh value – i.e. difference between CSS Reg EFD and UKL Reg EFD.
  - Gives the opportunity for Shipper B to provide their Opening Meter Reading – if this has been obtained (NB: this will be via Shipper A – to minimise system changes for CDSP and for parties, given the expected volume of impacted Supply Meter Points)
  - To date, these have been smaller Supply Points, and the incidence of them have been reduced since CSS have deployed patch fixes since July 2022 implementation
  - Given the volume considerations, we are seeking to perform these changes **with minimal system impacts**

# Proposed Characteristics of the Meter Reading

Note: I think that the use of TPD M5.4.2 still works where there is a later Meter Reading – as the volume is still profiled using the NDM Supply Meter Point Demand – but added a rule in the Mod to be considered in drafting 😊

- CDSP will be able to create a Meter Reading exists on that code or 2 as there should be Readings,
  - Estimation would be in line with the prevailing Class Type of UKL –
    - Class 3,4 as per UNC TPD M5.4.2 – NDM Supply Meter Point Demand where there is no subsequent Meter Reading, [but if there is a later Meter Reading it will utilise this to establish the Meter Reading]
    - Class 1 and 2 as per UNC TPD M5.4.1 – e.g. D-7, etc...
  - Code states that the CDSP may estimate 'where the Code allows' – this has been inserted into the Code in UNC TPD 5.4 for recent examples – Mod 576 (UNC TPD M 5.4.6) - Code Cut Off Read
- Meter Readings will be inserted once the UKL Registration has been processed
- It will not, be classed as an Opening Meter Reading as per the Code ...
  - CDSP will estimate once the Registration is processed, rather than the Proposing User providing
  - Meter Readings may be replaced, but only by the Registered User (i.e. the outgoing Shipper) – this is to avoid complex system changes (with Opening Readings this is required by the Incoming Shipper)

# Thank you!

- Views invited!
- *Subject to updated Modification ... are we ready to consider Legal text?*
  - *Retained as Self Governance – any contrary views?*