

# 0851R: Extending the Annually Read PC4 Supply Meter Point (SMP) Read Submission Window



*Getting more reads into settlement*

# Current issue

## Why change: what's wrong with gas?

- Objective: to ensure that settlement is accurate *"Efficient and economic operation of the pipe-line system."*
- PC4 Annually Read Meters: Shippers have 25 Supply Point Systems Business Days (SPSBD) after the read date to submit a read for settlement (UNC TPD, M, 5.9.4)
- If issues prevent reads from being validated, and cannot be resolved in 25 SPSBDs, the read becomes unusable.
  - This prescription prevents settlement accuracy by restricting reads
- Main causes of not hitting 25 SPSBD:
  - Out of tolerance
  - Metering issues ie crossed meters
- This is problematic for meter reads that are hard to retrieve i.e. Annually Read Meters
- Enabling valid reads into settlement:
  - Decreases settlement imbalance,
  - Decreases Unbilled,
  - Decreases unaccounted for gas (no reads at Line in the Sand is a contributor),
  - Decreases Manual AQ fixes,
  - Decreases Costs for additional site visits, and
  - Decreases Must-reads.
- By comparison, electricity settlement allows for 14 months for NHH enabling the submission of hard to read meter reads (moving to 4 months for MHHS)



# Possible solutions

What is the path of least regrets?

Options overview:

1. Extending the PC4 read submission window from 25 SPSBDs to [60] SPSBDs.
1. Creating a mechanism via which failed valid reads can be resubmitted and entered into Settlement; or
1. A combination of A) and B): extending the window to [60] SPSBDs and creating a mechanism for failed valid reads to be re-entered into Settlement

# Option 1

## Extending the PC4 read submission window from 25 SPSBD to [60] SPSBD

### For

- 60 SPSBD would give 3 months within which to submit a read allowing time for underlying issues to be fixed
- Settlement performance would go up
- Simple change to UNC TPD, M, 5.9.4

### Against

- Increased reads = increased pressure on CDSP's settlement systems (perverse incentive)
  - You can submit 32 mn but only 4 mn submitted on average so v. low risk only?
- Industry performance assurance might have a lag (reveals poor design? This is not an issue for elec settlement.)

### Questions

- What was the benefit from moving from 15 SPSBD to 25? Was there a detrimental impact?
- Why not 14 months? Should impacts to CDSP's systems be a blocker?
  - Is this more of a question for PAC than CDSP?
- What is the forecast of additional reads being entered into settlement? Are more reads as a bad thing?!
- Impacts on:
  - Settlement reports, performance reports?
  - AQ calculation processes?
  - Reconciliation processes?
  - Demand Estimation processes?



# Option 1 - Proposed Legal Text/BRs

Extending the PC4 read submission window from 25 SPSBD to [60] SPSBD

*“5.9.3 Each User shall use best endeavours to comply with the requirements in paragraph 5.9.4.*

*5.9.4 The requirement referred to in paragraph 5.9.3 is that, of the Valid Meter Readings obtained by a User pursuant to paragraphs 5.9.7 to 5.9.12 in respect of Relevant Class 4 Supply Meters on any particular Day:*

*(a) not less than 50% are submitted by the 10<sup>th</sup> Supply Point Systems Business Day after the Read Date;*

*(b) not less than 100% are submitted by the 25[60]<sup>th</sup> Supply Point Systems Business Day after the Read Date*

*and the CDSP shall notify each User of its performance in such respect.”*



# Option 2

Maintain 25 SPSBD but allow rejected reads to be resubmitted with reason code

For

- Allows Valid Meter Reads to be entered into settlement
- Reason code allows for PAC to track (eg. Metering Issue; Out of Tolerance)
- Increases data that can be used by PAC
- Smaller impact on CDSP's systems, as this is a bolt on
  - A ROM would need to be completed to confirm whether this is correct. The scale of the mod may be suitable however depending on the impact.

Against

- More complex regs change
- Increases data that must be processed by Xoserve - system pressure (perverse incentive)
  - 10% increase in reads may be immaterial to system pressure from CDSP POV
- Potential gaming (negated by paper trail requirements and reason code)

Questions

- Might have bigger impact on Shippers and industry to implement?
- Could PAC ensure appropriate use?
  - What other data might be needed?
  - Can rogue Shippers game other read types anyway?



# Option 2 - Proposed Legal Text/BRs

Maintain 25 SPSBD but allow rejected reads to be resubmitted with reason code

*“5.9.5 Subject to paragraph 5.9.6, the CDSP will not accept any Meter Readings in respect of which the requirement in paragraph 5.9.4(b) is not complied with, **except where Valid Meter Reads are being resubmitted following the rejection of that Valid Meter Read due to being:***

- Out of Tolerance; or*
- a Metering Issue.*

*This must be notified to CDSP by providing a read Reason Code, and the Shipper must maintain a record of why the Reason Code was used.*

*5.9.5.1 Where reads are submitted in accordance with 5.9.5, they must be submitted within 120 SPSBD*

*5.9.5.2 Definitions:*

*Out of Tolerance: due to meter read history inaccuracies, a Valid Meter Read has not been entered into settlement as to do so would breach tolerances*

*Metering Issue: due to an issue with the meter history, due to a crossed meter scenario or imperial vs metric, for example, the read history is in error.”*



# Option 3

...do both...

For

- Overall, the cost to make the changes might be small and therefore the volume of change is outweighed by the benefit

Against

- Bigger change
- Cost may outweigh the benefit