

# February 2023 Risk update

V0.1

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# FEBRUARY OBSERVATIONS

- 2 risks carried forward from January 2023:
  - Smart Meter Exchanges
  - Incorrect Read Factor
- 5 scheduled risks to cover this month focusing on read performance risks

# PC3 READS

- ↑ • **163% increase** in Value at Risk over period Dec '21 – Dec '22.

Est VAR – Dec 2021 (GWh)	Est VAR – Dec 2022 (GWh)
Average	Average
~113	~298

- Read performance across the year has decreased by about 10% (90% to 80%) and the average number of sites has increased (3.7m to 4.7m) whilst the average AQ of the sites is largely static. The drop in read performance combined with the large increase in the volume of sites within PC3 is reflected in the increase in energy impact of the risk

- ↑ • Risk rating has been amended from 3 (Medium Priority) to 4 (Higher Priority) as VAR has increased above 250 GWh.

- **PAFA Recommendation:** PAFA will continue to closely monitor read performance in respect of PC3 Supply Points due to the ongoing increase in the volume of sites within this category. Review at next refresh point (May 2023)

# PC4 MONTHLY READS

- ↑ • **70% increase** in Value at Risk over period Nov '21 – Nov '22.

Est VAR – Nov 2021 (GWh)	Est VAR – Nov 2022 (GWh)
Most Likely	Most Likely
~368	~624

- Read performance across the year has increased by 7% (68% to 75%), the average number of sites has vastly increased (82k to 6.1m) due to the implementation of UNC MOD 692S and the associated AQ of affected sites has doubled (74TWh to 148TWh) of which is reflected in the increase in energy impact of the risk

- ↑ • Risk rating has been amended from 4 (Higher Priority) to 5 (Highest Priority) as VAR has increased above 500 GWh.

- **PAFA Recommendation:** PAFA will continue to closely monitor read performance in respect of PC4 (M) Supply Points due to the ongoing increase in the volume of sites within this category due to the ongoing impact of UNC MOD 692S. Review at next refresh point (May 2023)

# PC4 ANNUAL READS



- **37% decrease** in Value at Risk over period Nov '21 – Nov '22.

Est VAR – Nov 2021 (GWh)	Est VAR – Nov 2022 (GWh)
Most Likely	Most Likely
~1,557	~958

- Read performance across the year has remained static (89%) however the number of sites (21m to 13.9m) has fallen sharply (due to the implementation of UNC MOD 692S) and the associated AQ (305TWh to 187TWh) has decreased significantly which is reflected in the decrease in energy impact of the risk



- Risk rating in register remains 5 (Highest Priority).

- **PAFA Recommendation;** No immediate actions required at this juncture due to the significant decrease in respect of the Value at Risk (VAR). Review at next refresh point (May 2023)

# AMR MONTHLY READS



- **24% decrease** in Value at Risk over period Nov '21 – Nov '22.

Est VAR – Nov 2021 (GWh)	Est VAR – Nov 2022 (GWh)
Most Likely	Most Likely
~115	~87

- Read performance across the period has improved by circa 14% (75% to 89%) however the average AQ of sites has increased by 30% (37TWh to 48TWh). The improvement in read performance is the driving factor for the decrease in energy impact of the risk



- Risk rating has been amended from 3 (Medium Priority) to 2 (Lower Priority) as VAR has decreased below 100 GWh. Joint AMR Risk with AMR Annual Reads
- **PAFA Recommendation;** No immediate actions required at this juncture due to the significant decrease in respect of the Value at Risk (VAR). Review at next refresh point (May 2023)

# AMR ANNUAL READS



- **98% decrease** in Value at Risk over period Nov '21 – Nov '22.

Est VAR – Nov 2021 (GWh)	Est VAR – Nov 2022 (GWh)
Most Likely	Most Likely
~9	~0.2

- Read performance across the year has dropped about 2% (95% to 93%) however the average AQ of sites has decreased by 99% (4.6TWh to 71GWh) due to the implementation of UNC MOD 692S which is reflected in the decrease in energy impact of the risk



- Risk rating has been amended from 3 (Medium Priority) to 2 (Lower Priority). Joint AMR Risk with AMR Monthly Reads
- **PAFA Recommendation;** No immediate actions required at this juncture due to the significant decrease in respect of the Value at Risk (VAR). Review at next refresh point (May 2023)



# SMART METER INSTALLATIONS



- 37% increase in Value at Risk over period Nov '21 – Nov '22.

Est VAR – Nov 2021 (GWh)	Est VAR – Nov 2022 (GWh)
Average	Average
~16	~23

- The largest contributing factor to the change in VAR is the volume of smart meter installations for this period versus the previous reporting period (Nov '20 – Nov '21) = 1.9m versus 1.4m
- A positive factor is the reduction in the average number of days between exchange and asset update, this being 40% (7.5 to 4.6 days)



- Risk rating in register remains 1 (Lowest Priority)
- **PAFA Recommendation;** No further action required at this juncture. Review at next refresh point (January 2024)



# METER ASSET



- 23% decrease in Value at Risk over period Dec '21 – Dec '22.

Est VAR – Dec 2021 (GWh)	Est VAR – Dec 2022 (GWh)
Average	Average
~160	~123

- The number of incorrect read factors recorded have decreased by 18% (514 to 424)
- The count of no meter recorded has decreased by 11% (52k to 41k)
- The net effect of the above changes are reflected in the decrease in energy impact of the risk



- Risk rating in register remains 3 (Medium Priority)

- **PAFA Recommendation;** No immediate actions required due to reduction in Value at Risk (VAR) level. Review at next refresh point (January 2024)

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