

Product class 4 read incentive

Main Project Objectives

Modification objective - Increase confidence in accuracy of nominations, allocations, reconciliation and reduce levels and volatility in UIG

After modification discussion at last UIG workgroup, internal review was undertaken to assess the modification

During this review a number of different areas were evaluated to identify

- Options
- Pros/Cons
- Proposed Option

Goal of the review was to achieve the same outcome but simplify the process and define modification proposal for October Panel

Areas of Review/consideration

Area	Original Proposal	New Option	New option benefits
Measurement	Volume meter points Read submitted in 12months	% Energy Allocation reconciled @ month +12	Reporting available with some enhancements
Target	shipper vs market perf.	Defined % target	Defined target
Period	rolling 12 months	t -12 months measurement t + 1 month invoice	Monitor performance throughout the year
Defined target	No	Yes	Clear visibility of performance is required
Level of new reporting required	High	Low	Lower costs and implementation time
Implementation timescales	Long	Short	Lower costs and implementation time
Is charge clear and visible	No	Yes	Clear and easily understood separate invoice
Charge basis	Change in UIG share	p/kWh	Simpler process to implement
Use of money collected	N/A	Create fund	Options to utilise funds for defined purposes