

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

Against

- Increased reads = increased pressure on Xoserve's settlement systems (perverse incentive)
- Industry performance assurance might have a lag (reveals poor design?)

Questions

- What was the benefit from moving from 15 SPSBDs to 25? Was there a detrimental impact?
- Why not 14 months? Should impacts to Xoserve's systems be a blocker?
- 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 10th Supply Point Systems Business Day after the Read Date;

(b) not less than 100% are submitted by the ~~25~~[60]th 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 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 Xoserve's systems

Against

- More complex regs change
- Increases data that must be processed by Xoserve (perverse incentive)
- 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?



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 being Out of Tolerance 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 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

