

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)



Summary

Progress made so far

What was the benefit from moving from 15 SPSBD to 25?

- Only rationale is that 25 is not significantly greater than 15
- Daily average in all Classes of 4.4m reads per day, and peaks of 10mn, come nowhere near the capacity of 32mn.

Why not 80 SPSBDs?

- PAC reporting not set up - this can be resolved by aligning to increased read performance levels (O851R proposes 4 levels over the current 2) - it is an opportunity to create a more intelligent performance regime.
- Risk that UIG, Aqs, Rec, would be completed later - **red herring** - as the majority of reads are passed straight through, allowing extra time for these processes to be completed later is preferable to not getting a read at all. i.e. **later beats never.**
- 80 SPSBDs aligns with 4 month RF under elec settlement regime.

Why not create a read rejection process?

- Perversely incentivises the submission of invalid reads (5.9.4 obliges "Valid Meter Reads" to be submitted)
- Would be a bigger change than extending window - for no added benefit.



Extra considerations

Other related areas

- Winter Annual Ratio (WAR) Band - this could be positive or negative, and if WAR Bands are negatively impacted, PAC has the option to create a regs change or apply PATs
- Must reads - positive for IGTs who would have a longer window to submit a read



Proposed solution

What is the path of least regrets?

Options overview:

1. Extending the PC4 read submission window from 25 SPSBDs to [80] SPSBDs.
2. 5.9.4 [...] "Valid Meter Readings: [...]"
 - a. not less than 50% are submitted by the 20th Supply Point Systems Business Day after the Read Date;
 - b. not less than 80% are submitted by the 40th Supply Point Systems Business Day after the Read Date
 - c. not less than 90% are submitted by the 60th Supply Point Systems Business Day after the Read Date
 - d. not less than 100% are submitted by the 80th Supply Point Systems Business Day after the Read Dateand the CDSP shall notify each User of its performance in such respect."

