

## Utilisation of the Class Change Capability – Future Utilisation

This document has been produced to support Change Management Committee discussions on the allocation of costs for XRN4871B – Modification 0665 – Changes to Ratchet Regime between DSC Core Customer Classes.

The following modifications / changes introduce obligations on the CDSP to initiate Class Changes, where a Shipper has not done so:

Modification	Title	Trigger Event for Class Change	Volume of Change based on existing performance**	Status of Modification (8 <sup>th</sup> April 2020)
0664	<u>Transfer of Sites with Low Read Submission Performance from Class 2 and 3 into Class 4</u>	Meter Reading performance needs to be 97.5% or 90% for Class 2 and 3 Supply Meter Points respectively, and where portfolio performance was less than 90% any such Supply Meter Points would be required to be reclassified.	Volumes within the 0664 Draft Workgroup report highlighted a PAC report of Meter Reading performance – in order to give a scale of potential reclassifications a number of assumptions have been detailed below. <b>Based on very rough assessment potentially 320-380k SMPs would be reclassified)</b>	April Panel issued the Modification back to WG for 3 months to resolve issues identified during consultation.
0665	Changes to Ratchet Regime	Following Distribution Networks assessing Supply Meter Points for the criteria specified in the [Class 1 Ratchet Charge Guidance Document], the Networks will designate sites as being subject to the Class 1 Requirement. Where the Shipper does not reclassify within a specified timescale, the CDSP is required to do so on their behalf.	1 <sup>st</sup> year of operation – <b>c100</b> sites were subject to designation by Networks. It is expected that subsequent annual exercises will have reduced numbers.	Implemented.

0691	<u>CDSP to convert Class 2, 3 or 4 meter points to Class 1 when G1.6.15 criteria are met</u>	One of the Class 1 Requirements is that where a Supply Meter Point Annual Quantity exceeds 58.6GWh applies in a number of instances, but specifically	Volumes are expected to be limited – the Workgroup Report (v1.0 dated 12 <sup>th</sup> January 2020) indicates that: “Based on the findings of the UIG Task Force, as at November 2019 <b>15 sites</b> with an AQ equivalent to almost 0.5% of total national LDZ throughput had fully met the qualifying criteria for Class 1 but were still in PC 2 to 4.” Para3, Why section, page 3.	Workgroup.
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\*\* - Performance statement will be based upon current performance quoted in 0664 report for October 2019. Note: this is an approximation based on:

- Any ‘city’ performance below 25% for the whole portfolio performance was considered for the month quoted in the 0664 Workgroup Report, the portfolio was then determined for Class 2 or Class 3 for that ‘city’, the range quoted represents the entire portfolio in the relevant Class as the high end (as no meter points might meet the minimum 25% read target), the low range is determined as the remainder of the portfolio – excluding the read performance (as these meter points may be recording all Meter Readings necessary, therefore every other Meter Point has failed it’s performance). Weaknesses in this approach are:
  - o 664 logic has a number of tests to determine failure, and it is possible that sites achieving a significant higher individual Meter Reading performance will need to reclassify sites – these have been excluded from this analysis – this would result in understated numbers of reclassifications.
  - o 664 will only reclassify the Supply Meter Points over a three month period. This analysis assumes that where they have failed in a single month, they will fail over the entire period. This is a weakness that may result in under or overstatement of reclassifications.

The outcome of circa 320k to 380k sites represents circa 10% of Supply Meter Points in Class 2 and Class 3, therefore feels like the potential size of SMPs that may be subject to this.