

# Project Nexus Advisory Group Update

10 June 2010

# AMR Workgroup

Prepared by Steve Nunnington

# Topics identified for consideration in the AMR Workgroup

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- DM bundled service (Note: suspended pending decision on which workstream the requirements should be collated – Project Nexus or Distribution)
  - Current arrangements for DM Mandatory & Voluntary sites
  - GT data requirements & timescales
  - NTS sites & Unique Sites
- Market Differentiation
  - To ensure that appropriate services & processes are applied to Domestic, SME & I&C sites
- Meter Reads
  - Calculation & provision of estimated reads
  - Deadline for receipt of daily reads (actual or estimated)
  - Backstop where no read provided
  - Replacement of reads (actual or estimated)
  - Limits on volumes

# Topics identified for consideration in the AMR Workgroup

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- Change of Supplier
  - Provision of consumption data to the new supplier
  - Close out of an estimated read where an actual is available
  - Consideration of dual fuel & switching timescales
  - Consider the ongoing development of a data hub
- Reconciliation
  - Thresholds for Rollover of reconciliation quantities
- Ratchets
  - Is the Ratchet regime appropriate for Smaller Supply Points/ Domestic – what is the threshold?

# Approach for Workgroups

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- Identify and analyse any existing issues.
- Develop appropriate business solutions to rectify the identified issues with the existing arrangements
- Define & collect detailed requirements for the agreed business solutions
- Document business rules & process maps
- Define advantages/disadvantages of the business solution including Business Benefits.
- Develop indicative costs and a cost benefit analysis.
- Develop any contractual changes to support the identified business solutions.
- Record any issues which might usefully be taken forward under this Workgroup or alternative governance process.
- Consider transitional arrangements.

# Proposed Schedule

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- Meeting 2 (on 20<sup>th</sup> April 2010)
  - DM Bundled Regime
- Meeting 3 & 4 (on 12<sup>th</sup> & 26<sup>th</sup> May 2010 Cancelled)
  - Change of Supplier process
- Meeting 5 & 6 (on 9<sup>th</sup> & 22<sup>nd</sup> June 2010 )
  - Meter Reading arrangements
- Meeting 7 (on 7<sup>th</sup> July 2010)
  - Ratchets & Reconciliation
- Meeting 8 (on 20<sup>th</sup> July 2010)
  - Market Differentiation
- Meeting 9 & 10 (on 4<sup>th</sup> & 17<sup>th</sup> August 2010)
  - Review & wrap-up to ensure all areas are aligned
  - Prepare draft Modification proposals

# Issues Identified

## Progress to date as of 31<sup>st</sup> May 2010

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- Unbundling of the DM regime
  - Industry discussions taking place as to the most appropriate workstream to carry out discussion. Project Nexus or Distribution? Will be resolved by end of June.
- Change of Supplier Process
  - Established current process maps. Ready for sign off.
  - One sub-process identified as a 'problem' area (Enquiry)
  - Request from I&C shippers to have access to historical read data prior to ownership.
- Meter Reading
  - Initial discussions to commence on 9 June.

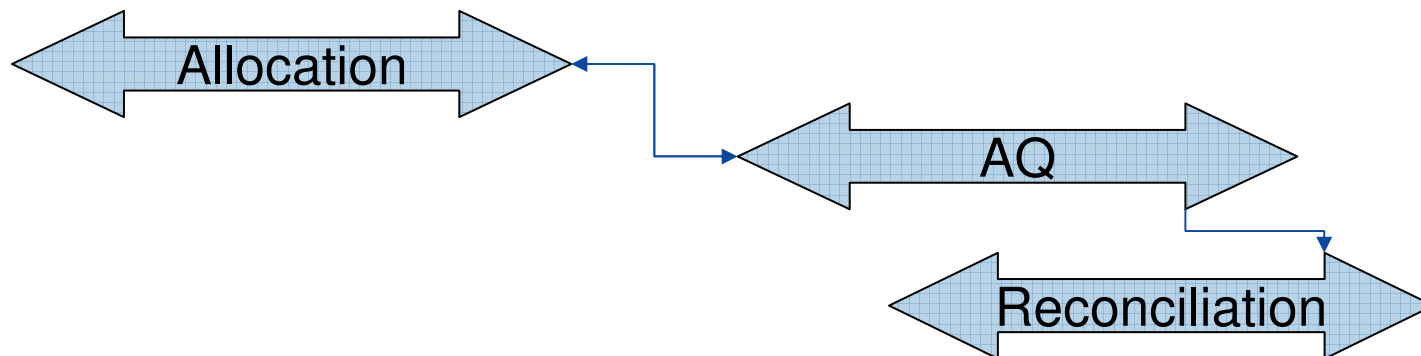
# Principle Topic Workgroups

Prepared by Fiona Cottam

# Progress to Date

- 3 Principle Workgroups have concluded
  - Allocation
  - AQ
  - Reconciliation
- The groups overlapped but started and finished in sequence
- Each group built on the Principles developed/under development in previous groups

| 11-Jan | 18-Jan | 25-Jan | 01-Feb | 08-Feb | 15-Feb | 22-Feb | 01-Mar | 08-Mar | 15-Mar | 22-Mar | 29-Mar | 05-Apr | 12-Apr | 19-Apr | 26-Apr |



# Overview of Principles

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- Preferred option for “Allocation” is use of daily consumption data for daily balancing of all sites
- Reconciliation is an exception process for missing read days
- Preferred option is AQ not required for allocation
- Presentation to PN UNC May Workstream demonstrated alignment between the outcomes of the Topic Workgroups
- Principles ratified by PN UNC Workstream

# Transitional Arrangements

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- Each Workgroup considered transitional arrangements building on previous workgroup outputs
- Workgroups anticipated cut-over to new arrangements part-way through Smart meter roll-out
- Discussed concept of a tipping point where number of Smart meters justified cut-over to new arrangements
- Did not specify what the tipping point should be
- After implementation of new arrangements any remaining dumb meters would be subject to transitional rules until replaced with Smart

# Alternative Option

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- Alternative option identified in case the SMIP operating model does not support daily consumption submission
- Reconciliation would be a regular occurrence for all sites when actual consumptions are received
- AQ would still be required and preferred mechanism is rolling AQ

# Next steps

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- Retrospective Updates Principles to be discussed at June PN UNC Workstream
- Outcome of Principles Topics have been shared with SMIP programme (as documented in final reports)
- Principles now being used as the industry's "statement of intent" for detailed requirements workshops – risk that detail could expose weaknesses in principles