

AGREED PRINCIPLES DOCUMENT

This document serves as a record of completed and pending discussions, and agreed solutions. It is intended as a living document, to be updated following each meeting.

As the workgroup discusses each element of the proposal, a brief summary will be recorded, and any agreement reached is logged in the summary table. A completed summary table will form a quick reference for drafting a modification at the end of the process.

1) High level principles

Alongside the Terms of Reference workgroup is aiming to deliver a proposal that meets the following principles, against which all suggestions should be assessed:

Minimal cost to transporters

It is agreed that a proposal will be assessed against its costs and benefits but the group recognises the potential short term nature of the proposal with the likely move to a central GT agent within 3 years. As such, any proposal will be short lived.

Zero or minimal impact on xoserve processes

No increase in resource requirements for xoserve. It is agreed that iGT UNC cannot and influence xoserve processes but a risk that we may if not careful

No changes to meter read validation rules

To avoid additional complexity and cost of the proposal

2) WAALP data

Transporters are concerned about their ability to come by the WAALP data necessary to make AQ calculations throughout the year.

Currently iGTs use data that is provided to them once a year during the AQ review. A second dataset is sent by xoserve but is received too late to be of use to in the iGT AQ review process.

There are three types of WAALP data

1. Actual (this is what is provided twice yearly to iGTs)
2. Calculated. Can be calculated using daily CWAALP data which is published by xoserve and should be available to iGTs if required.
3. Forecast. Provided in advance by xoserve for the purposes of forecasting.

It is acknowledged that the order given above is the order of preference in terms of getting the most accurate AQ calculation.

Each type of data is equally valid for use in the calculation, and there are no code obligations for one type of data to be used in preference over another; just an understanding of their relative accuracy.

Actual data is generally available after a number of weeks. It is suggested that this data is received/collected by iGTs and loaded once a month. iGT systems would also hold forecast data which would be the default position where actual had not been loaded yet. This could be loaded once

a year (month?). This arrangement would ensure that the majority of AQ calculations performed used mostly actual WAALP data. However, there should be no burden on iGT to collect data. As long as a complete set of forecast data is stored by the iGT, the calculation can always be performed.

Note: the practicalities of collecting/sharing the data have not been agreed but this would not be a necessary part of a proposal or code obligation. It is suggested that iGTs could take turns to collect data if it cannot be sent automatically by xoserve.

It was agreed that there is no need to give iGTs an obligation to use WAALP data of a certain age or type.

3) *Setting new AQ values to live*

Three variables are identified

1. **When is the calculation carried out?**

- a. On receipt of a read i.e. an extension of the current read acceptance process
- b. At a scheduled time following receipt of the read i.e. in bulk once a month

The preferred option may depend on system capabilities, and will have an impact on 2 and 3 below.

2. If 1a., **when is the shipper notified of the new AQ value?**

- a. Immediately after calculation, by means of a new file transaction?
- b. At a scheduled time each month, by means of a bulk notification?

These options may impact the ability to query a calculated AQ, and will be impacted by variable 3 below.

3. If 2a. **when is the new AQ set to live on the iGT system?**

- a. from the day following calculation?
- b. on the 1st day of the following month?

Each option will have advantages and disadvantages for iGTs, shippers and shippers. ***For discussion and agreement.***

4) *Files*

Response file to shipper

What does the shipper response do?

1. Acknowledge that a successful calculation ONLY and the previous and new AQ
2. Confirm calculation and outcome: successful calculation PLUS new AQ; unsuccessful calculation and reason for failure

Notification to shipper of failed AQ calculation

The shipper will receive notification of a revision to an AQ. Will they also be notified where a read has been accepted but the iGT has been unable to calculate an AQ?

To an extent this will depend on what the shipper is using the process for. When it is actively managing AQs, feeding in reads to correct a presumed incorrect AQ, then a notification would certainly be useful. This adds complexity of course.

What are the reasons why an AQ calculation can fail?

Update files to xoserve

Current AQ review results in a large update file being provided to xoserve. This takes considerable xoserve time and resource to process. Xoserve use this information to update their systems for forecasting purposes.

A periodic AQ review would eliminate this bulk file. It is presumed that this will alleviate resource requirements at xoserve. **To be confirmed.**

Updates to AQ values would simply flow through the standard (LMN) reporting procedures, and no additional update file would be required by xoserve, either as a new AQ is calculated or a monthly file is sent to the shipper. **To be confirmed.**

5) *Tolerance thresholds*

Two options:

3. Include a threshold
4. No threshold

The inclusion of a threshold is an additional reason for an AQ recalculation to fail at the amendment stage.

It is felt that it would be beneficial to include some kind of tolerance. Further requirements may be a flag for the shipper to allow a change to process successfully where it is known that the tolerance will be breached (supporting evidence?). The alternative to this is a secondary AQ amendment route (similar to LSP mechanism). This would complicate the automated process.

Further discussion required:

- How to limit exposure to potential fluctuations in charges (positive and negative) where (an erroneous) AQ feeds into the monthly invoice (infill, some I and C)?
- The ability of the shipper to claw back excess charges where invoice is erroneously high for a period.

6) *Challenges*

It is thought that there will be no requirement (or time) for an appeals process. This is especially the case where tolerance checking exists before AQ amendment. A challenge mechanism may be possible if the idea of a monthly timetable is not adopted.

Further discussion required:

- Where shippers cannot challenge, is there a need to extend the current ad-hoc LSP process formally to SSPs?

7) *Issues summary and outstanding questions*

ISSUE	OPTIONS	AGREED FOR PROPOSAL
1. Collection of WAALP data	a. iGT to retrieve WAALP data b. xoserve to provide WAALP data to iGTs c. shippers to provide WAALP data to iGTs	TBC

2. Use of WAALP data		iGTs to store and use forecast data and update actual data on a monthly basis. Actual values to be used where available (actual values 'overwrite' forecast?)
3. Timing of calculation	a. Upon receipt of read b. During a window in the monthly timetable	TBC
4. Notification of AQ value to shipper	a. When calculation is performed b. Once a month in bulk	TBC
5. Setting AQ value to live	a. Day after calculation b. First of the following month	TBC
6. Shipper response file	a. Only contains updated AQs b. Shows all MPRNs where read was received; new AQs; failed AQ updates with reason	TBC
7. Tolerance threshold	a. Include tolerance b. No tolerance	TBC
8. Shipper challenges	a. Ability to challenge new AQ b. No ability to challenge AQ	TBC. May be constrained by timings in any case.

Questions (to xoserve)

WAALP

1. How frequently is forecast WAALP data published? Is this on a rolling basis (e.g. updated monthly?)
2. How far into the future does forecast WAALP data go?
3. How will iGTs get hold of forecast and actual WAALP data?

iGT AQ updates

4. What is the iGT data used for?
5. (How) would xoserve be affected by periodic revisions of iGT AQs?
6. How would a periodic change in EUC affect xoserve?
7. Is the BAU LMN reporting process sufficient to update xoserve of new AQs? (This does not provide MPRN level information.)