P274 'Cessation of Compensatory Adjustments'

P274 Alternative redlined changes to BSCP504.

We have redlined these changes against version 28.0

4.14 Gross Volume Correction

4.14.1 Introduction

Once a Settlement Date has been subject to the Final Reconciliation Volume Allocation Run (RF), data for that day shall not be amended unless supported by an upheld Trading Dispute. If an error in demand exists on a Settlement Date for which RF has taken place, this error can be compensated in Settlements Days for which RF is still to take place. The process of compensating this error is Gross Volume Correction (GVC). This process results in the correct total volume of energy being allocated to the Supplier; however this energy will be allocated to different Settlement Periods. The volume of error that may be compensated for is subject to the limitations described in 4.14.3.

Diagrams have been included below which show how the demand recorded by a Meter changes over time (the time axis showing time going forwards and the demand axis showing increasing demand), taking into account Meter readings (whether valid, erroneous or compensatory). It would be expected that, if all readings were valid, that the Meter readings would steadily increase over time.

4.14.2 Definitions

For the purposes of this appendix, the following definitions apply:

Crystallised Period	Periods of Settlement Dates for which RF has taken place and data cannot be amended without the support of an upheld Trading Dispute.
Earliest GVC Date	A calendar date used to determine the extent to which an error volume may be compensated for using GVC. This date is derived by determining the calendar date that precedes by a fixed period the latest RF Run as at the date when a GVC is carried out. The fixed period is established and reviewed from time-to-time by BSCCo and authorised by the Supplier Volume Allocation Group (SVG).

Error freezing reading	This is a reading deemed in the current RF Window to prevent error that has crystallised being amended. It is calculated using the last valid, erroneous or compensatory Meter reading(s) obtained before and / or after RF and the associated erroneous EAC / AA that was in place at RF. Error freezing readings can only be deemed in the current RF Window. They should not be created at (or close to) the latest Post Final Settlement Run (PFSR), even in the case where the erroneous EAC or AA is subject to an authorised Trading Dispute.
Fluid Period	Periods of Settlement Dates for which RF has not taken place
Realistic reading	Where a Meter reading is required for a particular Settlement Day to carry out Gross Volume Correction and an actual Meter reading is not available, a realistic reading can be deemed for that Settlement Day using a valid Meter register reading (occurring prior to or after the realistic reading date) and a realistic EAC (i.e. a previous valid EAC or if one is not available an initial (class average) EAC).
RF Window	This is the window of time between 5WD and 20WDs prior to the RF being carried out for a particular Settlement Day (i.e. a window in the period before that Settlement Day has passed through RF). A reading for RF should be deemed in this window since corrective action takes a finite time to be reflected in Settlements as it needs to be completed by the NHHDC, sent to the Non-Half Hourly Data Aggregator (NHHDA), processed by the NHHDA, sent to the Supplier Volume Allocation Agent (SVAA) and processed by the SVAA.

4.14.3 Use of Gross Volume Correction

Where an erroneous Meter Advance is identified, the associated AA, EAC and (where applicable) the associated reading may be withdrawn if none of the Settlement Dates in the Meter Advance Period have been subject to a last Volume Allocation Run (i.e. the RF run or, where the AA/EAC is subject to a Trading Dispute, the Post Final Settlement Run (PFSR)).

Where all Settlement Dates within a Meter Advance Period have been subject to a RF run (or, as applicable, PFSR), the associated AA, EAC and reading may not be withdrawn.

If the erroneous Meter Advance has partially crystallised (i.e. a RF run has taken place for some, but not all Settlement Dates within the Meter Advance Period), GVC can be applied to correct the error without amending the energy values which have already been subject to a RF run.

If any of the error pre-dates the Earliest GVC Date, then GVC may be employed, but the compensatory reading must allow for (not compensate for) the error volume that pre-dates the Earliest GVC Date. This variant on the GVC process is defined in 4.14.5.

Other than being used to compensate for a partially crystallised error in a single Meter Advance Period, as described above, GVC should only be used where an energy error for a given Metering System is affecting the NHHDC's ability to process subsequent Meter Readings. For example, GVC can be used where the forward EAC is out of line with the expected consumption for the Metering System to the extent that subsequent valid readings for the Metering System are failing validation (or should be likely to fail validation).

GVC cannot be used to compensate for errors across two Meters or two Standard Settlement Configurations (SSCs). In order to correct errors across different Meters or SSCs, the Final/Initial readings need to be withdrawn and replaced (and potentially the change of Meter/SSC needs to be backed out). GVC cannot be applied for any disconnected Metering System or any Metering System that has undergone a change of Measurement Class (NHH to HH), because the principle of applying GVC where there is an ongoing Settlement impact does not apply.

The application of GVC in relation to Change of Supplier readings is described in Section 4.14.~~5~~6.

Where there is insufficient reading history to apply GVC, or where compensation will introduce further error, the NHHDC may, but only as an action of last resort, take such steps as are necessary to address the ongoing validation problem, without ensuring that the gross volume of energy settled is correct. This will have the effect of "writing off" historic error, but ensuring that future error is minimised (e.g. the application of "dummy meter exchanges"[1]. Where such action is taken by the NHHDC it should be subject to a robust and auditable process.

The use of GVC does not remove the requirement to identify and resolve Settlement errors prior to the RF run, but is intended as a reasonable provision for errors that could not have reasonably been detected when they were originally created.

GVC is an optional requirement for the Supplier; however the NHHDC must be able to carry out GVC if required to by the Supplier. GVC shall be carried out by the NHHDC when this has been agreed with the Supplier, and when the use of GVC meets the criteria described above. Where the NHHDC receives a request from the Supplier to apply GVC, which does not meet the criteria described above, it should be referred back to the Supplier with supporting rationale for why the NHHDC does not consider that GVC is appropriate. The NHHDC may also initiate the use of GVC, although only with the agreement of the relevant Supplier or Suppliers. Such approval can be obtained on a per-instance or delegated authority basis, as agreed with the Supplier.

The NHHDC may identify that GVC should be carried out if the EAC is above BSCCo monitoring levels or where reads are consistently failing validation but in line with each other.

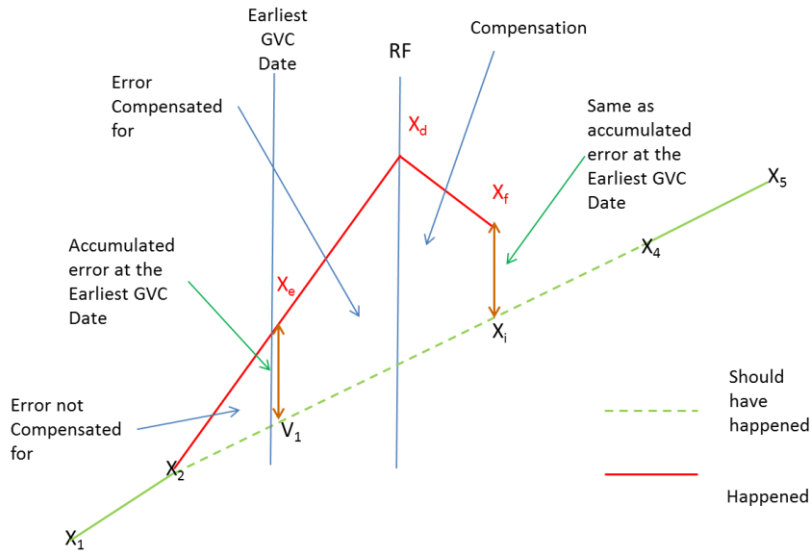
[1] A "dummy meter exchange" involves the use of Initial and Final Meter readings to effectively re-start consumption histories even though no actual, physical change of Meter has taken place.

Where an AA or EAC is subject to an authorised Trading Dispute and the Effective From Settlement Date is after the latest Settlement Date which has been subject to a PFSR, the AA or EAC may be withdrawn without the need to apply GVC. GVC can be applied to any AA or EAC, irrespective of whether these are subject to a Trading Dispute, but error freezing readings can only be applied in the RF Window. Error freezing readings should not be applied at the latest PFSR.

4.14.5 GVC Where the Error Pre-dates the Earliest GVC Date

Where the start of the error period pre-dates the Earliest GVC Date, any error prior to the Earliest GVC Date cannot be compensated for.

The accumulated error at the Earliest GVC date should be determined as the difference between an estimate of what the error reading would have been on the Earliest GVC Date disputes boundary (Settlement Date), and an estimate of what the reading should have been on the same Settlement Date (see below). These estimates may be derived by either deeming a reading or using a "straight line" approximation between two readings.



Reading X_i should be deemed, either forwards (using readings X_1 and X_2) or backwards (using readings X_4 and X_5) and used as an Initial Reading. A Final Reading (X_f) should be determined by adding the accumulated error at the Earliest GVC Date to reading X_i. This will result in only the error after the Earliest GVC Date being compensated for.

4.14.~~5~~6 Gross Volume Correction and Change of Supplier

GVC can only be used to correct partially crystallised error within the relevant Supplier's Registration period. GVC cannot be used to compensate in a new Supplier's Registration period for errors in the old Supplier's Registration period. This is a natural consequence of the rule in 3.2.6.33 and 3.2.6.34 whereby a Change of Supplier reading can only be replaced by mutual agreement of the two Suppliers via the disputed Change of Supplier readings process, or, if the change of Supplier reading has crystallised, via an authorised Trading Dispute. This means that any error that exists prior to the Change of Supplier is compensated for under the old Supplier's registration and any error that exists after the Change of Supplier is compensated for under the new Supplier's registration. In this way, both Suppliers pay for the correct volume of energy.

Please note that GVC can be applied to correct errors which do not impact the Change of Supplier reading. For example, if the first or last AA of a Supplier Registration has been calculated incorrectly because a Meter rollover has not been identified (or has been incorrectly assumed), the AA can be corrected using GVC (subject to it not having fully crystallised at RF), because the Change of Supplier reading would not need to be replaced or withdrawn.