

WHOLESALE-RETAIL CODE CHANGE PROPOSAL/ CHARGING CHANGE PROPOSAL

For use by the Code Panel

Change Proposal Reference <i>(To be completed by the Code Panel Secretary)</i>		CPW013	Version No	1
Submission: <i>(delete as appropriate)</i>		Change Proposal		
		Charging Change Proposal		
Title: of Change Proposal/Charging Change Proposal		Meter Reading Validation		
Summary: of Change Proposal/Charging Change Proposal <i>(no more than two sentences)</i>		A high number of meter reads are rejected by CMOS because previous daily volumes are zero. Removing this validation and 2 others will make the meter reading transactions run more smoothly and require less manual intervention.		
Status of the Change Proposal/Charging Change Proposal <i>(To be completed by the Code Panel Secretary)</i>				
First Time Published	09.01.17	ICP - Rejected		
CP - Assessment		OFWAT - Further Information required		
CP - Consultation		OFWAT - Approved		
CP - Recommendation		OFWAT - Rejected		
CP - Further Information Required		Approved and Implemented in Code		
General Details of the Proposer				
Name of Proposer		Katy Spackman		
Capacity (for Change Proposals – on behalf of a Party, as an Code Panel member, as the customer representative or on behalf of MOSL or the Authority; for Charging Change Proposals – on behalf of a Wholesaler).		Trading Party NWGB		
Contact Email; Tel/Mob.		Katy.spackman@nwgb.co.uk 07977 418 898		
The Proposer recommends that this Change Proposal/Charging Change Proposal should: <i>(delete as appropriate)</i>		Proceed to Assessment		
		Proceed to Consultation		
		Proceed to Recommendation		

Rationale for recommendation and any reason for urgency	The removal of the validation will reduce the manual intervention in meter reading transactions, and focus validation on areas with real validation issues.
Related Documents	
Reference of any associated Code Panel Change Proposal/ Charging Change Proposal	none
Documents Accompanying Form	none
Change Proposal/ Charging Change Proposal Details	
Description of (i) The enhancement, issue or defect which this Change Proposal seeks to address, or (ii) the modified or new charging method or charging structure required pursuant to this Charging Change Proposal, as required under the Market Arrangements Code Section 6.2.1(b).	
<p>Approximately 38% of meter read transactions have been rejected by CMOS in the first 2 months of Shadow Operations, and are being sent back to Retailers for manual validation and re-processing. It has been identified that approximately 40% of these read failures could be removed through minor adjustments to the codes, the identified validations and the current share of the T105 message failures are as follows:</p> <ol style="list-style-type: none"> 1. When PEDV <=0 (Rule Numbers VR.053, VR.054, VR.055 and VR.056): Approximately 25% of meter read validation errors are caused by these validations. There does not appear to be any value in using a PEDV of 0 or negative as a basis for validating the CDV. In this situation the reading cannot be reliably validated. 2. Meter read dates must be later than the previous meter read date (Rule Number VR.032): Approximately 10% of meter read validation errors are caused by this validation. Ideally CMOS should allow these reads and validate the new read is >= the one prior to it and <= the one after in CMOS. (This would mimic the functionality of TCORR172.) 3. Occupied SPIDs cannot have 0 advances (Rule Number VR.057): Approximately 5% of meter read validation errors are caused by this validation. There are valid reasons why a 0 advance is valid, including periods of vacancy prior to the read date, seasonally occupied premises, warehouses and the like that have little or no consumption. <p>It is conservatively estimated that the costs to re-process meter reads that fail these validations is in excess of £230,000 per annum across the industry.</p> <p>We do not see this change as requiring any changes to messages, forms or processes, and so would only be an impact on the CMOS validation process.</p>	
Description of the Change Proposal/ Charging Change Proposal, its nature and purpose and (for Change Proposals only) how it is consistent with the Principles and falls within the Objectives noted below, as required under the Market Arrangements Code Section 6.2.1(c).	

It is proposed that:

1. Meter read validations carried out where $PEDV \leq 0$, as set out in the table in CSD 0203 section 2.6.11, are removed.
2. Meter reads can be uploaded in any order. CSD 0203 section A.4.1 (b) should be revised as follows: "if the Meter Read Date is before the Meter Read Date of a previously submitted Meter Read; the Meter Read should be less than or equal to the next Meter Read present in CMOS at the time of submission and greater than or equal to the previous Meter Read present in CMOS at the time of submission." The table below summarises the current and proposed behaviours:

Meter Read	Read Date	Read Submission Date	Current CMOS Action	Proposed CMOS Action
150	01/01/2016	05/01/2016	Accept	Accept
151	02/01/2016	06/03/2016	Reject	Accept
181	01/02/2016	05/02/2016	Accept	Accept
211	02/02/2016	06/03/2016	Reject	Reject
210	01/03/2016	05/03/2016	Accept	Accept

3. In CSD 0203, section 2.6.11, the validation rule where $PEDV > 0$, $CDV = 0$ and $SPID Vacant = False$ is removed.

The proposed updates to the table in CSD 0203, section 2.6.11 from points 1 and 3 above are shown below.

PEDV Value	CDV Value	Acceptance (OK) or Error Code
$PEDV \leq 0$	$CDV = 0$; $SPID Vacant = True$	OK
	$CDV = 0$; $SPID Vacant = False$	Error code
	$-3 < CDV < 0$	Error code
	$CDV \leq -3$	Error code
	$0 < CDV$	Error code
$0 < PEDV$	$CDV = 0$; $SPID Vacant = True$	OK
	$CDV = 0$; $SPID Vacant = False$	Error code
	$-3 < CDV < 0$	Error code
	$CDV \leq -3$	Error code
	$CDV < 0.2 * PEDV$	Error code
	$2 * PEDV < CDV$	Error code
	$0.2 * PEDV \leq CDV \leq 2 * PEDV$	OK

Principles and Objectives

Principles	Affected (Y/N)	Description
Efficiency	Y	Far fewer valid meter reads will be rejected and therefore removing the need for unnecessary manual intervention and fewer staff to manage the rejected messages.

Proportionality	Y	The removal of the validation will have a rapid effect on rejection rates without requiring changes to messages or forms.
Transparency	N	
Simplicity, cost-effectiveness and security	Y	This is a simple solution that does not require any changes to message flows.
Barriers to entry	Y	The quantity of failed meter reads imposes a significant requirement for intervention, which is a cost burden on trading parties.
Non- discrimination	N	
Customer participation	N	
Customer contact	N	
Seamless markets	N	
No limit on upstream competition	N	
Business Terms Objectives	N	
Operational Terms Objectives	N	
Market Terms Objectives	N	
Description of the impact of the Change Proposal/ Charging Change Proposal on the following items, as required under the Market Arrangements Code Sections 6.2.1(e), (f) and (g).		
Configured Item	Impacted (Y/N)	Description
Wholesale-Retail Code, Part 1 (Objectives, Definitions and Principles)	N	
Wholesale-Retail Code, Part 2 (Business Terms)	N	
Wholesale-Retail Code, Part 3 (Operational Terms)	N	
Wholesale-Retail Code, Part 4 (Market Terms)	N	
Wholesale-Retail Code, Part 5 (CSDs)	Y	CSD 0203

Wholesale-Retail Code, Part 6 (Operational Forms)	N	
Appointment	N	
Licence	N	
Any other industry code, agreement or document (e.g. the Wholesale Contract or the MOSL Articles) (please specify)	N	
Central System	Y	Validation rules removed and updated as per CSD0203 updates described above.
Trading Party systems which interface with Central Systems and other relevant Trading Party systems/ business processes.	Y	There may be some changes required if any trading party has developed processes around managing the rejected transactions though either the LVI or HVI.
Scottish Core Industry Documents	Y	These validations exist in Scotland, the same changes should be considered for the Scottish Codes.
Impact Assessment		
General Comment Pre-go live, consideration of the timing of adoption and implementation of the change may be relevant.	Pre Go Live: If the change is not implemented, Trading Parties will need to resource their teams to manage these rejection rates. The efficiencies will be achieved as soon as the change is implemented.	
Cost/Benefit Estimate		
Financial Benefit Estimate (Low: < £10K, Medium: £10K To £100K, High: > £100K)	High benefit (See note in general comments and attached excel sheet for calculation). Tbc – CGI to complete High level impact assessment	
Description of any discussions on the topic of the Change Proposal/ Charging Change Proposal at the User Forum (as relevant) or otherwise relevant discussions with parties, as required under the Market Arrangements Code Section 6.2.1(h).		
Proposal was discussed at the CIO Forum on 18/11/16, and received support from several Trading Parties.		
Further Comments		
Estimated cost saving across the industry: It is conservatively estimated that 8 Full Time Equivalent employees will be required to support the current re-processing of rejected reads as a direct result of these validations. By removing and altering the validations, it is anticipated that the English market alone would save ~£230,000 per year. This is calculated in the attached spreadsheet.		

The change in the codes will be visible to users of both the LVI and HVI.

Alternatives considered:

Alternative solutions considered are outlined here for information. We have not proposed these changes as they are more complex approaches:

The validation check box on the T105.R message is opened so that it can be ticked at the point the initial meter reading message is submitted. This would effectively pre-validate the meter reading. However, it would open a loop hole to allow all meter reads to be pre-validated which may not be desirable. It would also require more changes to the way messages need to be completed and processed, and so is a more complex solution.