"DATE BRITAIN" – ELECTRICITY TRADING TRUE-UP PROPOSAL, 2002-09-09

Introduction

The purpose of this 1-page Paper is to highlight a deficiency in the current controls of the New Electricity Trading Arrangements (NETA) and to propose a solution. Basically that a patented utility metering arrangement be adopted together with a business method to resolve the Renewable and other Embedded Generators', Suppliers' and Distribution Network Operators' problem of the present ambiguities due to uncontrolled uncertainties and risks regarding electrical losses and "lost meters" etc.

This solution is considered to be relevant to any strategic review of "Renewables & Networks" because it seems to the author that there may be gaps in the various Ofgem workstreams, and the work of the Distributed Generation Co-ordinating Group, due to this problem area. This is because the incentivising of the Distribution Network Operators is considered by the author to depend on accurate annual assessments of their distribution electrical losses, as well as other considerations.

Patent GB2309086 "Utility metering arrangement" and the GSP Group Correction Factor problem

This Patent can be viewed on the Patent Office website. [Here's a procedure to find it: Go to the Patent Office Website screen on http://www.patent.gov.uk; Click your mouse pointer on Patents; Click your mouse pointer on Search our Records; Click your mouse pointer on esp@acenet; Read the Conditions of use and, if ok, Click your mouse pointer on CLICK HERE and On the screen you will find 3 data entry boxes on the left-hand side, and you should Position your cursor in the middle box (titled "View a patent application") and type GB2309086 and then Click your mouse pointer on Go; Click your mouse pointer on GB2309086]. Basically Patent GB2309086 enables a precise meter reading to be held by a "quarterly etc" read meter register, by switching to another meter register at the end ***date*** of an Accounting Period.

This Paper proposes that – for all meters other than Half Hourly (HH) meters – as a minimum, a programme should be put in place for all meters to adopt Patent GB2309086 and switch at a common annual ***date*** (say 31st March). By comparing the total actual annual advances at all the exit points of any GSP (Grid Supply Point) Group with all the inputs to that GSP Group for that year, an accurate "True-Up" assessment could be made as to whether the assumptions for distribution electrical losses which support the profiling of the various NHH (Non-Half Hourly) Profile Classes are sensible. This would ensure that the bias of errors probably being dumped onto the NHH metered customers (as well as perhaps the NHH Renewable Generators) as opposed to HH customers etc, could be minimised in future – compared with the present relatively uncontrolled situation of the GSP Group Correction Factor. (Basically the present GSP Group Correction Factor seems to the author to put all the errors onto the NHH customers!) For simplicity, this proposed Business Method to "True-Up" is called "Date Britain".

As the author understands that a test for the accuracy of the GSP Group Correction Factor and Profiling was the accuracy of each Profile Class reflecting the electricity prices of the "old" Electricity Pool – which ceased in 2001 – the time now seems right for the introduction of "Date Britain".

Suggested Implementation Proposal for "Date Britain"

(1) A tapered introduction is suggested by gradually introducing the "Date Britain" 2-rate etc meters (e.g. "old" Economy 7 meters) that are released by the introduction of advanced metering elsewhere. As these 2-rate etc meters would effectively be "scrap" otherwise, they should be available at minimal costs.

(2) For those "quarterly etc" read meters which had not yet been upgraded to the "Date Britain" standards, Distribution Network Operators would have this Paper's identified problem of "risk" of not being able to accurately assess electrical losses and "lost meters" etc. There is a similar "risk" situation at present with un-metered public lighting etc supplies; this risk is currently handled by charging "unaudited" lighting etc inventories a distribution premium (on both standing charges and unit charges) compared with audited inventories, and it is proposed that analogous "incentivising" premia be charged to generators and customers whose meters had not yet been upgraded to "Date Britain" standards, in recognition of these risks – subject, of course, to DTI and ofgem support.

(3) This approach indicates that a change to NETA procedures is needed which would reflect 3 classes (HH, NHH with "Date Britain" standards, NHH without "Date Britain" standards). The proposed business method would also enable the recovery of the necessary patent licence fee(s). Elexon offered (NMTWG report to SVAG, 7 May 2002 etc) to "carry out walkthroughs of all applicable BSC Procedures, Service Lines and Settlement Requirements with manufacturers … to identify any issues with emerging" (new) metering technology applications, and Box Ten Ltd intends to take up this kind offer.

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Don Stickland, MA (Oxon), ACMA, 9th September 2002, mobile telephone number: 07973 110 010.

"DATE BRITAIN" – GAS TRADING TRUE-UP PROPOSAL, 2002-09-10

Introduction

The purpose of this 1-page Paper is to highlight a deficiency – perceived by the author – in the current controls of the "new" Gas Trading Arrangements (NGTA) and to propose a solution. Basically that a patented utility metering arrangement be adopted together with a business method to resolve the Shippers', Suppliers' and Gas Distribution Network Operators' (e.g. Transco etc) problem of the present ambiguities due to uncertainties and risks regarding gas distribution losses and "lost meters" etc.

This solution is considered to be relevant to any strategic review of "Developing network monopoly price controls" etc for gas because it seems to the author that there may be gaps in the various Ofgem workstreams due to this problem area. This is because the incentivising of the Gas Distribution Network Operators (e.g. Transco etc) to reduce their emissions of methane etc to atmosphere is considered by the author to depend on accurate annual assessments of their gas distribution losses, as well as other considerations.

Patent GB2309086 "Utility metering arrangement" and the LDZ RbD problem

This Patent can be viewed on the Patent Office website. [Here's a procedure to find it: Go to the Patent Office Website screen on http://www.patent.gov.uk; Click your mouse pointer on Patents; Click your mouse pointer on Search our Records; Click your mouse pointer on esp@acenet; Read the Conditions of use and, if ok, Click your mouse pointer on CLICK HERE and On the screen you will find 3 data entry boxes on the left-hand side, and you should Position your cursor in the middle box (titled "View a patent application") and type GB2309086 and then Click your mouse pointer on Go; Click your mouse pointer on GB2309086]. The Patent covers – but is not restricted to – the gas and the electricity industries. Basically Patent GB2309086 enables a precise meter reading to be held by a "quarterly etc" read meter register, by switching to another meter register at the end ***date*** of an Accounting Period.

This Paper proposes that – for all meters other than "Daily read Meters" (DM) – as a minimum, a programme should be put in place for all meters to adopt Patent GB2309086 and switch at a common annual ***date*** (say 31st March). By comparing the total actual annual advances at all the exit points of any gas LDZ (Local Distribution Zone) with all the inputs to that LDZ for that Accounting Period, an accurate "True-Up" assessment could be made as to whether the assumptions for gas distribution losses are sensible. This would ensure that the bias of errors probably being dumped onto the twice yearly (or less frequently) meter read Domestic and other small consumption customers, as opposed to DM (and monthly read) customers, could be minimised in future – compared with the present relatively uncontrolled situation of the "Reconciliation by Differences balancing" (RbD) process. (Basically the present RbD approach seems to the author to put all the errors onto the twice yearly meter read Domestic etc customer class!). For simplicity, this proposed Business Method to "True-Up" is called "Date Britain" for gas.

As the author understands that methane leaks add to "Greenhouse gases" and therefore accelerate the rate of Earth's Climate Change – the time now seems right for the introduction of "Date Britain" for gas.

Suggested Implementation Proposal for "Date Britain"

(1) A tapered introduction is suggested by gradually introducing the "Date Britain" 2-rate etc upgraded "Not Daily read Meters" (NDM) that may be produced by new manufactures, or released by the introduction of advanced metering elsewhere. The costs of this option could be compared with the "Daily read Meters" (DM) current Transco extra costs quoted for Renting the DM's necessary Datalogger (believed to be £352.17 ex VAT per year) and also for Reading that Datalogger (believed to be £357.12 ex VAT per year).

(2) For those "Not Daily read Meters" (NDM) which had not yet been upgraded to the "Date Britain" standards, Gas Distribution Network Operators (e.g. Transco etc) would have this Paper's identified problem of "risk" of not being able to accurately assess gas losses and "lost meters" etc. There is a similar "risk" situation at present in the electricity industry at present, and it has been proposed by the author that "incentivising" premia be charged to customers whose meters had not yet been upgraded to "Date Britain" standards, in recognition of these risks – subject, of course, to DTI and ofgem support.

(3) This approach indicates that a change to NGTA procedures is also needed which would reflect 3 classes (DM, NDM with "Date Britain" standards, NDM without "Date Britain" standards).

Don Stickland, MA (Oxon), ACMA, 10th September 2002, mobile telephone number: 07973 110 010.

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