



Commission for Energy Regulation

An Coimisiún um Rialáil Fuinnimh

Information Regarding Commencement of AP03

Agreed Procedure No. AP03
Non Quarter Hour Metered Customer Demand Reconciliation

The Commission has today published a revised Agreed Procedure 03 regarding Non Quarter Hour Metered Customer Demand Reconciliation (AP03). This details the process for determining the cumulative mis-allocated amounts between a Supplier who supplies profile demand and ESB PES. AP03 introduces separate day and night metering into the reconciliation process.

Supplier's customer demand for the non quarter hour demand side of the market is determined using an estimated annual consumption for each customer and applying an appropriate customer demand profile. When actual meter readings take place, the differences are reconciled and sent to settlement. AP03 introduces separate day and night metering into the reconciliation process.

Proposed Modification 150, as presented to the Trading and Settlement Code Modification Panel on June 7th 2002, proposed to modify AP03 by introducing separate day and night meter reading data into the reconciliation process.¹ Following discussion of this proposed modification the Commission requested that Suppliers be given the opportunity to respond.² Having considered any comments made, the Commission has decided to adopt the principle proposed in PM150.

However, as AP03 is an Agreed Procedure it is not changed by a decision by the Commission. The process for changing agreed procedures is set down in the Trading and Settlement Code in Section 7.2 (A) which states that "Agreed Procedures may be revised, amended, varied or modified from time to time by ... the Settlement System Administrator (SSA), as the case may be, with the approval of the Commission." Therefore the Commission requested that the SSA and the Meter Registration System Operator (MRSO) would submit a revised version of AP03 incorporating a day and night split. This has been done and the document has been approved and published by the Commission.

The Commission considers that the introduction of separate day and night meter data in the reconciliation process for profile Suppliers as outlined in AP03 is a positive step as it would result in a more appropriate allocation than the present practice and would send the correct signals regarding day versus night consumption to the market and the final customer.

PM150 proposed that this change would be applied to all data which has not yet been reconciled (there has been a systems delay which has resulted in the reconciliation process not running on schedule). The Commission heard

¹ Please refer to Trading and Settlement Code Modifications Panel Meeting No. 14 (http://www.cer.ie/display_full_details.asp?117)

² Please refer to Trading and Settlement Code Modifications Panel Meeting No. 15 which can be found on the Commission's website www.cer.ie.

representations from market participants that to introduce such a change retrospectively would introduce a potentially unmanageable risk for suppliers operating in the market and may send a negative signal to potential entrants as it may be interpreted as introducing an additional risk.

The Commission has decided not to apply this change retrospectively. However, the MRSO informed the Commission that the data is processed and sent to settlement on a monthly basis and that they would not be able to deliver data for a half month/few days etc. Therefore, the Commission has determined that the change in processing the data shall take place for the whole month of October 2002 and going forward. AP03 Issue 3 was approved on the 17th of October 2002. This is before the 31st of October 2002 when settlement of the 1st of October will take place, and before the 18th of October 2002 when D+13 arrives and physical positions and spill prices issue. This will facilitate the MRSO and is not retrospection as the month of October has not yet been settled and the misallocated amount for the month of October will not be addressed for some time to come.

If you have any further queries please contact:

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