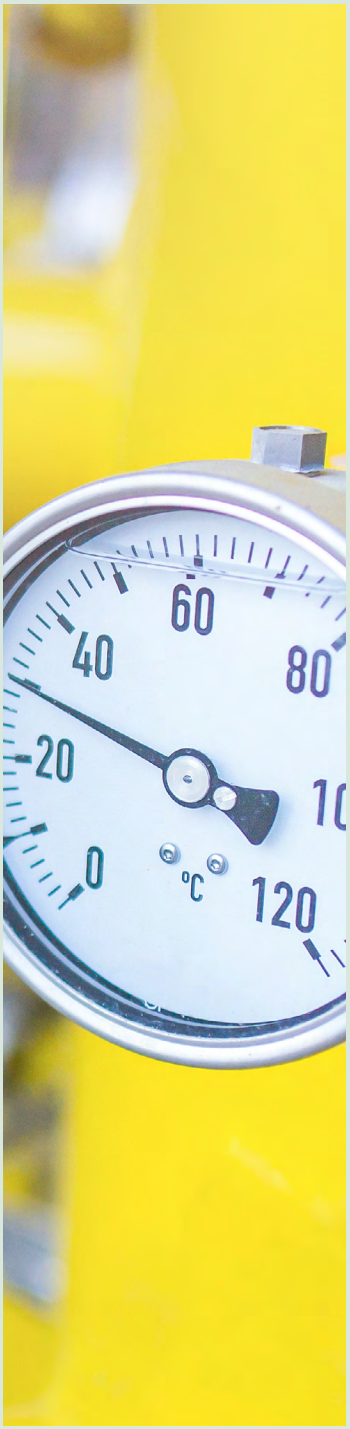
WHITE PAPER



NAVIGATING DATA RECONCILIATION IN THE UK METERING INDUSTRY

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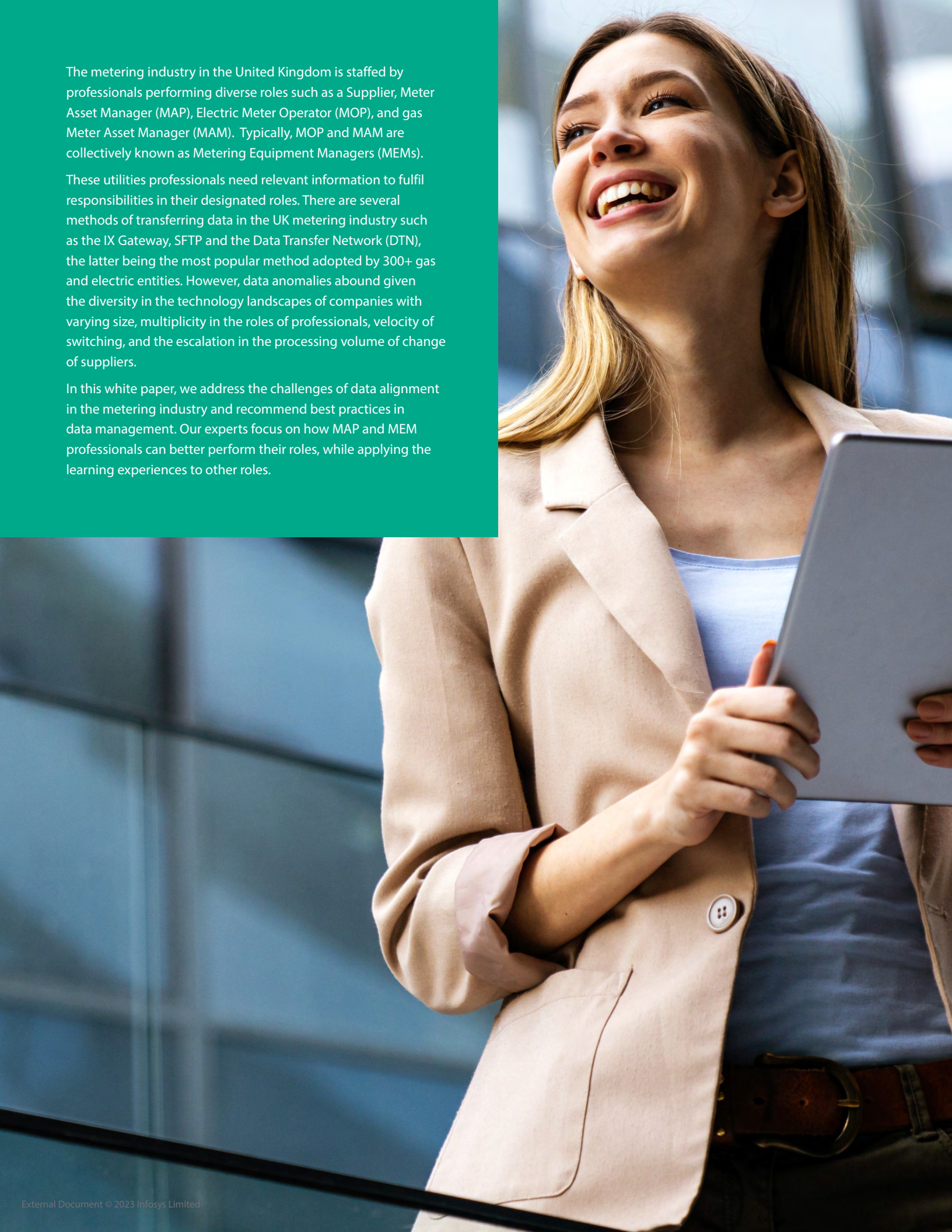
The metering industry in the United Kingdom is staffed by professionals performing diverse roles such as a Supplier, Meter Asset Manager (MAP), Electric Meter Operator (MOP), and gas Meter Asset Manager (MAM). Typically, MOP and MAM are collectively known as Metering Equipment Managers (MEMs).

These utilities professionals need relevant information to fulfil responsibilities in their designated roles. There are several methods of transferring data in the UK metering industry such as the IX Gateway, SFTP and the Data Transfer Network (DTN), the latter being the most popular method adopted by 300+ gas and electric entities. However, data anomalies abound given the diversity in the technology landscapes of companies with varying size, multiplicity in the roles of professionals, velocity of switching, and the escalation in the processing volume of change of suppliers.

In this white paper, we address the challenges of data alignment in the metering industry and recommend best practices in data management. Our experts focus on how MAP and MEM professionals can better perform their roles, while applying the learning experiences to other roles.



Key Business Issues

The REC defines key industry processes required to share data with specified market participants such as a MEM or MAP role. Some of the potential or emerging problems that can arise include:

- **Data asymmetry** - With communication among ~ 300 market participants, values / codes differ from organization to organization leading to data inconsistency and validation issues. The industry definitions define certain values, but not all values. So, when these values enter an organization, they often get converted or mapped to other values.
- **Absence of industry updates** – Given the multiplicity of data sharing methods, market participants can be set up on some gateways, but not on all established networks. If communication methods are assumed, data may never reach the intended entity.

In the MAP role, evidence suggests that 5% of portfolios have queries related to data asymmetry / data loss issues. When portfolios reach 5 million+ meters for large MAPs, ~ 250,000 assets get affected.

Impact to business / customers and financial impact / cost

These issues have far-reaching impact:

- **Financial loss** – Typically, industry flow updates relate to a change of market role / participant or an asset installation / removal. These are chargeable events or lead to chargeable events. For instance, a MAP can levy an asset rental fee to a supplier when a MEM has installed a meter. The MEM can also levy an installation fee to the supplier. The MEM and MAP must provide supporting data for the supplier to match the invoice that has been raised.

  Flows are often seen as confirmation of the invoice. Financial losses mount for reasons ranging from the inability to charge for early replacement of meters due to lack of awareness about the removal of meters. In addition, the cost of meters adds up to the loss when meters get lost and details such as their location and MAP have not been updated.
- **Negative impact on field customer service** – If metering information is captured and stored incorrectly / converted into different values or cannot be sent, it may mean that customer vulnerabilities are not transferred, and important site information has not been passed on. Inaccurate and missing data can lead customers onto an incorrect customer journey with vital information being unknown to field technicians. This can also lead to incorrect billing and poor experience to the supplier's end customer.
- **Negative impact on B2B customer service** – MAPs produce asset rental invoices for several suppliers. Often, invoice reconciliation is completed with inaccurate data leading to disputes raised by the supplier to the MAP. In the case of the MEM, installations may be charged, which the supplier may dispute have not taken place, in the absence of an industry record of the installation. It puts MEMs and MAPs in an awkward position with their clients.

How can we help MEM and MAP clients?

- **Education in the use of market domain data and regulatory requirements**

  MEM and MAP teams may understand data issues and industry regulations, but other teams may not. A siloed department's architecture / processes can impact the ability of the enterprise to accurately produce industry flows if data flow is inconsistent. Educating clients and internal teams ensures that industry flows and market domain data are incorporated when working with MEMs and MAPs.
- **Confirm communication methods before finalizing contracts with other industry market participants**

  Ensure that the method of flow transfer is agreed and tested. Wherever possible, it is advisable to mutually agree upon configurable data items so that validation on both sides can be passed.
- **Promote the benefits of the Registered Supplier Agent (RSA) role**

  Smart metering has transformed the energy landscape by driving remote communication with meters for suppliers.

  However, MEMs do not have the same degree of visibility for real time updates. They access data during installation via a supplier DCC connection. To gain information from the DCC, they need to apply for an RSA role. It will allow them to undertake data reconciliation and reporting.
- **Use of industry data (ECOES and Xoserve)**

  Data reconciliation can be optimized by leveraging data from other industry participants. ECOES provides data for electric meters and Xoserve provides data for gas meters, which can address gaps found by MAPs and MEMs.
- **Support introduction of MON Flows**

  From a MAP gas perspective, the Central Data Service Provider (CDSP) gets updates from gas market participants and will shortly share MON Flows for an updated industry data view. MON Flows will inform gas MAPs of MAP ID appointments / de-appointments, asset details and organization details related to suppliers and MAMs. Supporting clients in the implementation of the MON Flow is invaluable to MAPs.

Conclusion

Smart metering has effected a transformation in data quality and timeliness. However, it primarily benefits suppliers, but not to the same extent for other market roles such as MEM and MAP.

The RSA role is available to these market participants. It entails a significant cost and often standard industry flows defined by the REC are required for invoicing purposes. The RSA role is worth evaluating as each MEM / MAP has different requirements.

The industry needs to educate teams other than MEM / MAP about this issue. Importantly, we need to ensure that end-to-end architecture and processes incorporate industry regulations, and the data model complements industry data requirements.

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