

AML/ASP Task Force Update

Friday 1st February 2019

Dear Customers and Industry Colleagues,

Following on from Ranjit's communication last week highlighting the intensified priority and focus being placed upon the Xoserve Amendment Invoice (AML/ASP) task force, I would like to take this opportunity to update you on the latest progress from within the team.

December 2018 Billing Period Amendment Invoice Run

Xoserve operational teams successfully oversaw the generation and distribution of all shipper Amendment Invoice (AMS) files and core Amendment Invoice supporting information (ASP) files on Friday 25th January. Unexpectedly, for a handful of shippers we witnessed considerably longer than average ASP file generation times within our system, as a result of an increased volume of class 3 meter reads received. To transfer such large ASP files, Xoserve agreed with those shippers impacted to split the file based on each individual distribution network. Root cause analysis has completed for this fault and steps are being taken to mitigate this risk within our UK Link system going forwards.

Unfortunately, despite the majority of fixes deployed to our systems to address those defects identified since the AML/ASP Task Force was mobilised last summer, we continue to witness issues with the generation of the correct supporting information held within the ASP files for a number of shippers. Those shippers affected this month have all since received email notifications explaining the degree of mismatch between their December 2018 Amendment Invoice charge total and their ASP file. Mismatch analysis is already underway and correction files will shortly be sent to those impacted shippers. Should you or your organisation have any queries in respect to your December 2018 Amendment Invoice, please contact Rachel Martin's Reconciliation Invoice team via recandrbd.billing@xoserve.com.

The December 2018 AML supporting information files are expected to be issued to shippers over the course of this weekend commencing from Saturday 2nd February 2019.

AML/ASP Mismatch Defect Resolution

Reinforcement of the task force's root cause analysis (RCA) function has enabled an accelerated review of those mismatches incurred within any ASP files for the November 2018 billing period. Initial indication suggests a sizeable amount of ASP mismatches can be attributed to a small number of defects linked to 'Re-Reconciliation' scenarios for which the prevailing energy derivation is presented wrongly wherever the start and/or end date is different between the original reconciliation period and the re-reconciliation period.

We hope to be in a better position next week to communicate a firm defect fix plan once we gain a greater understanding of the code fix and testing timescales. All other remaining open Amendment Invoice defects are undergoing a prioritisation review to ensure the correct focus on the high impact fixes prior to the next invoice cycle.

Five defect fixes were successfully deployed to our production systems this week, relating to 'Prime and Sub-deduct' reconciliation scenarios and 'Check to Check' reconciliation following acceptance of a Site Visit read. We believe such fixes will help to reduce the number of AML/ASP mismatches in the next invoice cycle.

Automation of ASP Correction Files

Whilst we await enduring fixes to all known ASP defects within our systems, a significant emphasis is being placed on the development and testing of an interim workaround solution. This will enable the swift identification and automatic generation of all necessary monthly shipper ASP correction files. The task force is currently targeting the deployment of this workaround solution into our production systems in advance of Tuesday 26th February 2019, as to support any mismatch corrections within the K88 and K89 records of the ASP file needed during the January 2019 amendment invoice run.

We anticipate that the introduction of such automation will materially reduce the effort required by our operational teams to analyse and manually produce the ASP correction files, subsequently freeing up such knowledge and expertise to focus on other priority customer needs within the Amendment Invoice space.

AML/ASP Task Force February 2019 WebEx

We have listened to customer concerns regarding the lack of progress on this matter. Following a deep-dive review into the structure and approach as to how we once and for all address this complex system issue, we have opted to postpone the 7th February AML/ASP Task Force customer WebEx. It is believed that we can offer a clearer and more useful picture to customers through a detailed WebEx held in late February, once a full review has completed in relation to the RCA of all ASP/AML mismatches incurred over the last three billing periods as well as a full prioritisation of all known AML/ASP system defects.

Our dedicated task force Customer Liaison Manager, Deborah Coyle, will shortly be rearranging the WebEx during the week commencing 25th February. Task force updates will continue to be provided at the February DSC Change and Contract Management Committees.

Let me reiterate how sorry and disappointed we are in our provision of such incomplete AML/ASP supporting information to allow you to verify your Amendment Invoice. As always, please don't hesitate to reach out directly to myself, or Deborah Coyle (Deborah.Coyle@Xoserve.com), should you have any further questions or comments.

Kind regards,

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