

Ratings System

A ratings system has been suggested at previous Steering Groups and it was agreed that a reliable system would need a large and full dataset, i.e. including the delivery profile of 12 month contracts, to be accurate and reliable. We would like to introduce a ratings system from January 2014

We have limited data and system constraints to take into consideration but in the first instance, and as a basis for discussion, we would propose:

- All participants start with a rating of 100% this means there would be no discrimination against a new GDP or one who has been unsuccessful in winning any contracts
- A delivery failure would be classed as someone who has not delivered between the tolerance band set in the contract, currently between 90-110%
- We will analyse all delivery reports received from Energy Companies over the last 12 months and assign a percentage reduction to the rating for every under delivery. For example deduct 0.1% from the rating for every 1% non-delivered.
- Any GDP who has successfully delivered more than 10 contracts within the tolerance bands would be awarded a 100% * rating.

The following table should give an idea of how this would work

After 25 auctions				
	Start %	No Lots Sold	% Delivered within tolerance	New Rating
GDP 1	100	35	100	100 *
GDP 2	100	10	90	99
GDP 3	100	8	100	100
GDP 4	100	0	0	100
GDP 5	100	7	30	93

We would also give participants the opportunity to gain back part of their rating by re-awarding scores for every 5 consecutive compliant deliveries. The ratings would be reviewed every month and the exact score that would be re-awarded is yet to be finalised and will be based on the outcome of discussion and subsequent feedback from the Steering Group. As a starting point for discussion, if the rating is based on deducting 0.1% from the user rating for every 1% under-delivered (outside the tolerances), scores re-awarded could be, for example, 0.5% per 5 compliant deliveries.

We welcome your views or alternative suggestions with a view to putting a ratings system in place by the first auction of 2014 on January 14th. We would appreciate feedback to be provided by no later than 6th December 2013.