

TRANSCO NETWORK CODE MODIFICATION PROPOSAL No. 0484

"Reconciliation of Energy for Meter Points moved to the Larger Supply Point category via the Annual AQ Review process"

Date: 3 August 2001

Proposed Implementation Date: Not later than 1/10/2001

Urgency: Non-Urgent

Justification

In the 2000 Annual AQ Review process Small Supply Points were included for the first time. In this process a large number of Small Supply Points were converted to Large Supply Points. The analysis indicates that the sum of AQs for this group of supply points was approximately 1 TWh for gas year 1999/2000 (as Smaller Supply Points), prior to amendment, but moved to 8 TWh for gas year 2000/01, as Larger Supply Points. The figure post appeal is not available but there is no reason to believe there was a material change.

A consequence of this error is that whilst configured in a Small Supply Point, the meters will not be reconciled but any actual consumption beyond that figured deemed (based upon current AQ) will be allocated across RbD shippers in proportion to their aggregate AQ in each LDZ.

This modification seeks to avoid any recurrence of this situation by reconciling the energy consumed from the opening read, for each meter, which has been used in assessing the Supply Point AQ to be greater than 73,200 kWh.

Retrospection

Although we recognise that it would not be normal practice to apply this type of Modification retrospectively, we would request the Regulator to consider application of this Modification (if approved) with effect from 1 October 2000. This request is made on the basis of the desire to correct the misallocation of the (approximately) 7 TWh in the 1999/2000 gas year.

Nature of Proposal

It is proposed that any Supply meter point which is configured within a smaller supply point but which becomes a Large supply point is subjected to reconciliation following completion of the annual AQ review process, including Appeals. The relevant date for the transfer from Small to Large supply point would be taken as being the date of the opening read used in the AQ review process. Reconciliation would then be applied from this relevant date, rather than from 1st October.

The equal and opposite effect of these reconciled quantities will flow back via the RbD process and reduce the exposure to the quantities of gas consumed over and above that deemed.

Purpose of Proposal

To ensure that the maximum amount of gas actually consumed by what becomes a large supply point is subjected to reconciliation and not inappropriately smeared across RbD shippers.

Consequence of not making this change

Significant quantities of gas will continue to be smeared across RbD shippers rather than being correctly reconciled to that shipper with responsibility for the larger supply point.

Area of Network Code Concerned

Section G 1.6
Section E 6 & 7

Proposer's Representative

Mike Young
British Gas Trading

Proposer

Mike Young (BGT)

Signature

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