

TRANSCO NETWORK CODE MODIFICATION PROPOSAL No. 0468a

"Removal of the Smaller Supply Point estimate Opening Reads charge for reasons of mergers and acquisition"

Version 2.0

Date: 05/07/2001

Proposed Implementation Date:

Urgency: Non-Urgent

Justification

The current provisions within the Network Code (Section M3.8) require that upon a prospective transfer of a Supply Point an incoming User provides a Valid Meter Read to Transco within seven days of the date on which it registers as the User for a Supply Point. If a Valid Meter Read is not provided to Transco, it will provide an estimated read to both incoming and outgoing Users within fifteen days of transfer. For Smaller Supply Meter Points the incoming User is charged £7.62 per estimated read where a 90% Meter Reading performance level is not met.

Users have suggested that in circumstances where a User has acquired a domestic portfolio from another User with no change of Supplier being involved that the need for Transco to charge for the provision of estimated meter reads should be removed. Transco believes that this User proposal is deficient in that it seeks only to remove the charging element and would leave the User in breach of its' Code obligation to provide an Opening Read.

Transcos alternative proposal is to remove the Opening Read obligation in its entirety where certain minimum criteria are fulfilled. These criteria being a minimum threshold of 50,000 Smaller Supply Points transferring at one time and a minimum notice period of one month.

Nature of Proposal

It is proposed to modify the Network Code to include a provision whereby the obligation for the incoming User at a Smaller Supply Point to provide an Opening Meter Read will be removed where:

- a) the User submits notification to Transco one month in advance confirming that meter readings are not required by any party involved in the transfer, and,
- b) the User wishes to submit Supply Point Confirmations in respect of a minimum of 50,000 Smaller Supply Points at the same time.

It is also proposed that where a User wishes to transfer less than 50,000 Smaller Supply Points by virtue of it acquiring a smaller portfolio but that the conditions in a) are fulfilled then this may be permitted at Transcos discretion.

For the avoidance of doubt removal of the User obligation under M3.8.2 under these circumstances would also remove subsequent requirements within M3.8 and will only apply to the relevant "batch" of Smaller Supply Point Confirmations designated by the User.

Purpose of Proposal

The purpose of this Modification Proposal is for Users to be able to avoid the cost of an estimated Opening Read charge in circumstances where a Meter reading is not required for billing purposes. The introduction of this measure would improve the economic efficiency of the Supply Point transfer process.

Consequence of not making this change

Users would continue to bear costs associated with the provision of estimated Opening Meter Reads by Transco where the reads are not utilised by any party for billing purposes.

Area of Network Code Concerned

M3.8

Proposer's Representative

Richard J Gray

Proposer

Tim M Davis

Signature

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