



# **Back billing for Mod425**

## **Update for UNCC**

**May 2016**

# Background

- UNC Modification 0425, implemented on 01 April 2014, seeks to 'register' the Shipper User responsible for fitting a 'different' meter and assigns all charges (Transportation and Energy) to that Shipper User
- The functionality to 'back bill' relevant charges was to be provided within the replacement UK Link system in October 2015
- Due to the delivery date moving from October 2015 to October 2016, this functionality is not yet available
  - Consequently the 'back billing' requirements associated with Modification 0425 cannot be met until the new UK Link system becomes available.
- Preceding elements of Modification 425 have been implemented (reconfirmation and attachment of assets)

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# Consideration of manual workaround

- Xoserve considered an 'offline' manual workaround to process 'back billing' activity as an alternative to processing within UK Link
- The cost of providing a manual 'offline' process is expected to be between £90k and £160k
- Analysis carried out to estimate the likely value of the 'back billing' instances for the period until October 2016 indicates a value range between £60k and £120k.
- The cost of developing and operating an 'offline' manual solution is likely to be higher than the value of the estimated 'back billing' activity
  - Provision of an 'offline' solution would take up to 6 months so would not be available before October 2016

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# Summary

- The issue was raised with Shippers at April CMSG meeting
- Delay in the delivery date of new UK Link system means that the 'back billing' requirement within Modification 0425 cannot be carried out
- The value of gas which would have been 'back billed' is relatively low, estimated at £60k - £120k
- An 'offline' solution would cost more than the value of gas to be 'back billed' £90k to £160k
- Reconfirmation and attachment of assets has occurred
- 'Back billing' will resume once new UK Link system is live post Oct 2016

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