

URGENT MODIFICATION PROPOSAL

TITLE: Domestic AQ Review

DATE: 4th March 1999

PROPOSED IMPLEMENTATION DATE: April 1999

TYPE: Urgent

JUSTIFICATION: The Network Code requires a full annual review of all AQs. The industry has identified that a full AQ Review would carry considerable risks due to unreliable meter read histories. However, a limited form of domestic AQ review is required to address known anomalies and problems.

NATURE & PURPOSE OF MODIFICATION PROPOSAL: To restrict the 1999 Domestic AQ Review to two specific categories of meters which are believed to have the largest proportion of incorrect Annual Quantities.

These categories are:-

1. Vacant Sites

This should cover sites where the AQ=1, which may have become occupied and therefore need an increase in AQ. It should also cover sites which have become vacant and need their AQ's reducing and will specifically include those sites which have been identified by shippers as valid for the RBD Vacant adjustment.

2. Sites with Default AQs

This should cover sites which have an LDZ default AQ, to ensure that more robust AQ are calculated.

Both categories need to be supported by meter reading information which can demonstrate revised consumptions. Transco should use both pre and post competition reads to achieve this.

This proposal affects the 1999 Domestic AQ Review only. Transco and the shipping community should continue developing a properly controlled process for the year 2000 to enable a full AQ review to be carried out then.

The I&C AQ Review is unaffected by this proposal.

FURTHERING RELEVANT OBJECTIVES: This proposal will allow unreliable AQs in known problem areas to be corrected, without creating large numbers of new unreliable AQs due to problems with data, thereby ensuring the real demands on Transco's system are known and accounted for.

CONSEQUENCE OF NOT MAKING THIS CHANGE: A full AQ Review for the entire domestic market would be required which would have inherent risks due to inadequate and unreliable data.

AREA OF NETWORK CODE CONCERNED: Secns G, E and Transition Document.

ORGANISATION: British Gas Trading Limited

PROPOSER: Simon Goldring

PROPOSERS REPRESENTATIVE: Sharon Bailey

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