

**TRANSCO NETWORK CODE MODIFICATION PROPOSAL No. 370**

**SHORT TITLE:** Rules for Reconciliation at Shared Supply Meter Points and DM CSEPs.

**DATE:** 10 November 1999      **PROPOSED IMPLEMENTATION DATE:** January 2000

**URGENCY:** Non Urgent.

**NATURE OF PROPOSAL:**

Currently the Network Code does not fully address Reconciliation at Shared Supply Meter Points (SSMPs) and DM CSEPs. A sub group to the Energy Balancing Workstream was constituted to discuss the requirements and the following proposals have been agreed within the group for a suitable way forward.

1. In line with Network Code principles for DM Reconciliation (Section E 6.1.5), where a valid (resynchronisation) opening meter read was not obtained on the day of transfer, registered Users at a Supply Point will be attributed with the reconciliation value for the period between the next valid read and the previous read.

When a new SSMP Agreement comes into effect, Transco will use an Actual Daily Read to close out the period prior to the new SSMP agreement. This would therefore zero reconcile the outgoing User(s) at a SSMP. Any meter drift or reconciliation volumes would be borne by the new Users in the appropriate period.

Where an Actual Read cannot be provided, Transco will estimate a closing read.

Incumbent Users therefore would bear the risk (credit or debit) for the period prior to their involvement with the Supply Point. The previous Users would not receive any reconciliation amounts.

2. SSMPs or DM CSEPs with single Users (such as a Shipper with a firm and Interruptible contract) will be reconciled in line with current Network Code provisions, irrespective of whether a User transfer has taken place between meter resynchronisations.
3. Where an Agent is in place at a SSMP or DM CSEP, Transco will provide details of any reconciliation quantity and the period over which it should be allocated, which will effectively be the period since the most recent User transfer (in the case of DM CSEPs the most recent User withdrawal) and a subsequent resynchronisation.

The Agent will have twenty working days to allocate the quantity between incumbent Users and provide Transco with an allocation statement.

If the Agent does not provide Transco with the allocated reconciliation quantities within this time period then a default will be applied. For SSMPs the default used will be specified on the Shared Supply Meter Point registration forms (which will not be accepted unless this is specified) and must conform to a standard percentage based allocation methodology only.

For DM CSEPs the default will be set out in the relevant DM CSEP Ancillary Agreement and be based on the previous allocations in the reconciliation period.

During the course of a SSMP agreement, Agents and Transco can agree to change the default reconciliation allocation methodology. However, there will be an upper limit of four on the number of changes allowed within a twelve month period and a minimum of one months notice for all changes.

4. For the Transco service at SSMPs, it is proposed that Transco will allocate the reconciliation quantity to incumbent Users in accordance with the allocation methodology in place under the relevant SSMP arrangement.
5. For those SSMPs subject to the optional NTS commodity tariff, the applicable rate will be that which applied on the relevant days of the reconciliation period for the incumbent Users under the relevant SSMP arrangement.

It is proposed that this Modification should introduce a prospective regime commencing around January 2000 and will not apply retrospectively. Any retrospective reconciliation quantities will be identified separately and invoiced after discussion with the Users involved.

#### **PURPOSE OF PROPOSAL:**

Reconciliation of Shared Supply Meter Points has not been carried out since the introduction of Modification 0139 in June 1997. Current provisions within the Network Code for daily Metered Reconciliation do not contemplate the allocations required between Sharing Users and in particular reconciliation variances arising after a transfer of Users takes place.

This proposal will put in place a contractual framework for reconciliation of SSMPs and DM CSEPs which satisfies the requirements of Users and Transco without prejudicing the needs of End User Agents.

By enabling the systematised invoicing of SSMP reconciliation, through a clear and non discriminatory contractual framework, the Proposal will facilitate economic and efficient billing for SSMPs.

#### **CONSEQUENCE OF NOT MAKING THIS CHANGE:**

Transco will not allocate any reconciliation quantity which arises at a Shared Supply Meter Point or DM CSEP where there has been a transfer of Users during the reconciliation period.

**AREAS OF NETWORK CODE CONCERNED:**

Section E : 6.1.4 and 6.1.5

Section G

GB-Ireland and UK-Continent CSEP Ancillary Agreements, Schedule 2

DM CSEP draft Ancillary Agreements

**IDENTITY OF PROPOSER'S REPRESENTATIVE:**

Paul Rogers

**PROPOSER :** TIM DAVIS

**SIGNATURE:**

**POSITION:** Manager, Network Code

**COMPANY:** Transco

**MODIFICATION PANEL SECRETARY'S USE ONLY**

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