

Draft Modification Report
Removal of the obligation of Transco to provide Estimated Opening Reads
Modification Reference Number 0515
Version 1.0

This Draft Modification Report is made pursuant to Rule 7.3 of the Modification Rules and follows the format required under Rule 8.9.3.

1. The Modification Proposal

The Proposer suggested "That Transco no longer have any obligation to generate an estimate opening meter reading(s) following a supply point transfer. This responsibility will clearly remain with the confirming shipper. The confirming shipper will either obtain an actual meter reading or will agree with the incumbent shipper a reading to be adopted for the transfer which may be an actual or estimated reading.

Transco will retain the obligation to receive and hold these readings from either the confirming or the incumbent shipper. Transco will also be obliged to release this reading to either the incumbent or the confirming shipper."

2. Transco's Opinion

This Modification Proposal contemplates removal of the necessity for Transco to provide an estimated meter reading for both Smaller and Larger Supply Meters. The effect of the Proposal is that incoming Users will either need to procure an actual meter reading or agree with the incumbent User a reading to be provided to Transco. The proposer suggests that this measure 'will both re-inforce the obligation upon the incoming shipper, and the respective supplier, to obtain a meter reading and facilitate the acquisition of a reading'.

It is Transco's view that there is merit particularly with respect to Smaller Supply Points in eliminating the notional element of the transfer read process from the Network Code. Transco is concerned, however, that should the generation of estimated reads be removed with respect to Larger Supply Points, it may not receive an actual or agreed transfer read which would compromise the Individual NDM Reconciliation process specified in the Network Code.

3. Extent to which the proposed modification would better facilitate the relevant objectives

The proposer has not identified the extent to which this Modification Proposal would better facilitate the 'Relevant Objectives'.

4. The implications for Transco of implementing the Modification Proposal , including

a) implications for the operation of the System:

None identified.

b) development and capital cost and operating cost implications:

Transco would incur costs in amending its UK Link systems. The extent of these costs has not been identified at this stage

c) extent to which it is appropriate for Transco to recover the costs, and proposal for the most appropriate way for Transco to recover the costs:

Not applicable.

d) analysis of the consequences (if any) this proposal would have on price regulation:

No such consequences have been identified.

5. The consequence of implementing the Modification Proposal on the level of contractual risk to Transco under the Network Code as modified by the Modification Proposal

If this Modification Proposal were implemented and Users did not comply with their obligations for providing opening meter reads, Transco would be unable to meet its Network Code obligations for Individual NDM Reconciliation as referenced within Section E6.1.6 of the Network Code Principal Document.

6. The development implications and other implications for computer systems of Transco and related computer systems of Users

Changes to Transco's UK-Link system would be required. Transco is not aware of any impacts on Users' systems.

7. The implications of implementing the Modification Proposal for Users

No such implications have been identified.

8. The implications of implementing the Modification Proposal for Terminal Operators, Consumers, Connected System Operators, Suppliers, producers and, any Non-Network Code Party

No such implications have been identified.

9. Consequences on the legislative and regulatory obligations and contractual relationships of Transco and each User and Non-Network Code Party of implementing the Modification Proposal

No such consequences have been identified.

10. Analysis of any advantages or disadvantages of implementation of the Modification Proposal

Advantages:

It is possible that elimination of the generation of an estimated meter reading will move focus to the incoming and outgoing Users to procure or agree a more accurate meter reading than may currently be the case.

Disadvantages:

If this Modification Proposal were implemented the opening reads process would be rendered 'incomplete'. In the event that Transco did not receive an opening meter read and no subsequent 'agreed read' was forthcoming Transco would not have in its possession an opening and closing read to use for the purposes of Larger Supply Point Individual NDM Reconciliation. Transco would in addition be unable to notify any party of a transfer reading.

11. Summary of the Representations (to the extent that the import of those representations are not reflected elsewhere in the Modification Report)

Representations are now sought.

12. The extent to which the implementation is required to enable Transco to facilitate compliance with safety or other legislation

Implementation of this Modification Proposal is not required to enable Transco to facilitate compliance with safety or other legislation.

13. The extent to which the implementation is required having regard to any proposed change in the methodology established under Standard Condition 4(5) or the statement furnished by Transco under Standard Condition 4(1) of the Licence

Implementation of this Modification Proposal is not required to facilitate any such change.

14. Programme of works required as a consequence of implementing the Modification Proposal

Works would be required to implement this Modification Proposal.

15. Proposed implementation timetable (including timetable for any necessary information systems changes)

In view of Transco's recommendation, no implementation timetable is proposed. This Modification Proposal could, however, be implemented relatively quickly (subject to changes to Transco's UK-Link system) if direction was received.

16. Recommendation concerning the implementation of the Modification Proposal

Transco is sympathetic to the Modification Proposal that it should cease to provide estimated opening reads. However, as there is no clear alternative for Larger Supply Points, in cases where shippers fail in their obligations Transco believes that the Proposal has significant flaws. Transco therefore cannot recommend implementation of this Modification Proposal.

17. Text

Transco does not recommend implementation of this Modification Proposal and therefore no legal text is provided.

Representations are now sought in respect of this Draft Report and prior to Transco finalising the Report

Signed for and on behalf of Transco.

Signature:

Tim Davis
Manager, Network Code

Date: