Draft Modification Report
Acceptance by the Gas Transporter of Reads obtained remotely as Valid Reads
Modification Reference Number 0683

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

To allow reads obtained via remote reading equipment to be considered valid reads by the Gas Transporter.

2. Transco's Opinion

It is Transco's opinion that this Modification Proposal should be implemented.

The proposer, BP Gas Marketing, identifies that the use of, and access to, cost effective 'remote reading' methods is permitting gas market participants access to meter reading information from an increasing number of customers. BP Gas states that these reads are of high quality and the requirement to procure access to a customer's premises to facilitate collection of meter readings is removed. Additionally, the human errors associated with physical reading of the meters can be reduced or removed entirely. Transco agrees with this view.

BP Gas claims that the introduction of the Climate Change Levy (CCL) and Metering Assets Managers (MAMs) have introduced the benefits of carrying out remote meter reading via Energy Management Systems (EMS) and Automated Meter Reading (AMR) solutions.

Transco concurs with the view that the positive use of such methods supports continuing innovation in the metering market, to the end-consumer's benefit.

Of note, BP Gas advises that the requirement to 'inspect' metering equipment is a separate obligation, established within the Suppliers Licence, from the provisions within Network Code for Users to obtain readings and each obligation is separately facilitated by appropriate UK-Link functionality. Transco acknowledges that this Modification Proposal introduces no changes in respect of inspection of 'on site' metering equipment.

The proposer notes that a precedent exists for Transco to accept 'remote reads' as valid reads within the Daily Metered (DM) market. In considering the unbundling of such a market, BP Gas states that no concerns were raised in relation to third party provision of data nor any concerning inspection of the meter installation.

It is important to note that Transco has raised Modification Proposal *0693 'Revision of the NDM 'More Frequent Reading' Provisions'* which is intended to be complementary to this Modification Proposal. Transco has articulated its concerns within the Supply Point & Billing Workstream that

the capacity of its UK-Link system and relevant Network Code processes should be safeguarded given the possibility of increased read submission volumes arising. Transco therefore believes that Modification Proposal 0683 may only be implemented in tandem with Modification Proposal 0693.

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

The purpose of this Modification Proposal is to facilitate an increase in the volume and accuracy of meter reads provided to the Gas Transporter. Implementation provides a facility whereby the number of Meter Readings not provided to Transco due to problems with meter readers gaining access to customers' properties to obtain a reading may be reduced.

The above measures are consistent with Transco's GT Licence 'code relevant objective' of facilitating the efficient and economic operation of the licensee of its pipeline system.

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

a) implications for the operation of the System:

No implications for the operation of the system have been identified.

b) development and capital cost and operating cost implications:

It is anticipated that low level costs would be incurred as a consequence of implementing this Modification Proposal.

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:

Transco does not propose any additional cost recovery.

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

Implementation of this Modification Proposal would not increase the level of Transco's contractual risk.

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

Whilst not essential for Transco to meet its Network Code obligations, a change to Transco's UK-Link system have been identified by Users as being desirable. It is anticipated that this would permit Users to 'flag' remotely procured reads on Transco's Sites & Meters database. Transco is not presently aware of the extent of this change to Users' systems.

7. The implications of implementing the Modification Proposal for Users

Implementation of this Modification Proposal would enable Users to provide Meter Readings to Transco which have been 'remotely' procured.

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:

- Enables Meter Readings procured by 'remote read' equipment to be provided to Transco and used for Network Code purposes.
- Facilitates the employment by Users of innovative meter reading solutions.

Disadvantages:

- No disadvantages have been identified.

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

This Modification Proposal is not required to facilitate any such change.

14. Programme of works required as a consequence of implementing the ModificationProposal

Whilst this Modification Proposal may be implemented with immediate effect, Transco has been asked to implement functionality to its UK-Link system to enable 'remotely' procured reads to be identified as such on its Sites & Meters database. The temporary absence of a 'flag' facility does not, however, prevent implementation of this Modification Proposal.

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

This Modification Proposal could be implemented with immediate effect. Transco is not currently able to provide an indicative implementation date for the supporting systems functionality described above.

16. Recommendation concerning the implementation of the Modification Proposal

Transco believes that this Modification Proposal should be implemented.

17. Text

Legal Text

Section M

Paragraph 1.4

Add paragraph 1.4.3 (h) to read:

"1.4.3 (h) "**Remote Read**" is a Meter Reading provided by the User in respect of a Supply Meter obtained by means of a Remote Meter Reading Equipment."

Add paragraph 1.4.3 (i) to read:

"1.4.3 (i) "**Remote Meter Reading Equipment** " is equipment which enables Meter Readings to obtained remotely at set intervals and which comprises a device for capturing from the Supply Meter, and/or (where installed) a convertor, data which constitutes or permits a derivation of a Meter Reading and suitable equipment as shall be required for transmitting such data."

Paragraph 3.1.4

Add paragraph 3.1.4 (g) to read:

"(g) the Meter reading was provided by means of a Remote Read"

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:

Peter Rayson
Commercial Manager - Customer Support Services

Date: