TRANSCO NETWORK CODE MODIFICATION PROPOSAL No. 0693

"Revision of the NDM 'More Frequent Reading' Provisions"
Version 1.0

Date: 13/05/2004

Proposed Implementation Date:

Urgency: Non-Urgent

Justification

BP Gas Marketing has raised Modification Proposal 0683 *'Acceptance by the Gas Transported of Reads obtained remotely as Valid Reads'*. This seeks to require Transco to accept Meter Readings procured by 'remote reading equipment' as being Valid Meter Readings.

Transco supports this initiative which is consistent with the development of innovative meter reading solutions within the gas market. Transco believes that given the likelihood of implementation of Modification Proposal 0683, it is also timely to revisit the provisions of M3.7 and ensure these more accurately reflect the requirements of Transco and Users.

Transco's opinion is that it is necessary to ensure that Transco is not furnished with undue quantities of NDM Meter Readings given the need to protect:

1. the peak daily capacity of Transco's UK-Link system in respect of the receipt of User provided reads; and
2. the integrity of 'downstream' Network Code activities and in particular Individual NDM Reconciliation.

Transco is concerned that the provisions of Section M3.7 'More frequent readings' do not adequately establish the rights of Transco and Users regarding the submission of 'cyclic' Meter Readings. Specifically, the Network Code states that Transco "will not be required to accept" more frequent 'cyclic' meter readings should they be received by Transco more frequently than the established read periods. At present, Transco does not reject reads received more frequently than than the intervals described within Section M3.7 as the aggregate number of such reads consistently falls short of UK-Link capacity. However, with the introduction of low cost, innovative meter reading methods there is the potential for read volumes to increase significantly.

Transco's opinion is that measures are therefore necessary to improve the 'More frequent reading' provisions contained within the Network Code. In association with this, Transco also proposes to introduce appropriate UK-Link systems functionality.

Transco has identified two specific proposals for change.

1. to increase significantly the frequency at which Meter Readings may be provided to Transco. This would be commensurate with the peak daily capacity of its UK-Link system. This provides greater flexibility for Users on how frequently they may wish to furnish read data to Transco.
2. to clarify that Transco will reject reads furnished to it in excess of the established constraints.

The advantages of the above solution is that Users would have absolute clarity with regard to the circumstances under which Transco would not accept 'cyclic' Meter Readings, but would have the opportunity to increase the frequency of Meter Readings they provide to Transco.

As a consequence of implementation of this Modification Proposal, it is also proposed that the IS Service Definition within the UK-Link Manual be updated to reflect the projected peak day read capacity of Transco's UK-Link system.

Of principal concern to Transco is the longer term unpredictability of how many Supply Meter Points may ultimately have 'remote read' equipment installed. While Transco believes that the regime proposed by Modification Proposal 0683 and this Proposal is sustainable, if significantly large numbers of automated meter reading equipment were installed, particularly within the Larger Supply Point market and read volume increased to unsustainable levels, Transco would seek a further review of the provisions within Section M3.7 in conjunction with consideration of the capacity of its UK-Link system.

Nature of Proposal

Modification of the Network Code and UK-Link Manual IS Service Definition is required to amend relevant provisions as follows:

- To change Principal Document Section M3.7.2 'More frequent readings' to reflect that Users are required to adhere to the following rules concerning the submission of 'more frequent' Non-Daily Metered ('NDM') 'cyclic' Meter Readings:
  - in the case of a Monthly Read Meter, no more than one meter reading may be submitted within a one calender week period.
  - in the case of an Annual Read Meter, no more than one meter reading may be submitted within a two calender week period.
  - in the case of an Annual Read Meter, contained within a Smaller Supply Point, no more than one meter reading may be submitted within a nine calender week period.
  In circumstances where the above provisions are breached (based on read date), Transco would reject the latest Meter Reading.

- To update the IS Service Definition of the UK-Link Manual to reflect a peak daily transaction rate for the receipt of Meter Reads by Transco of 400,000 and to remove the statement 'UK-Link has been developed to either process 44,000 meter reads or generate 66,000 Opening Read Requests'.

Purpose of Proposal

This Modification Proposal is complementary to Proposal 0683 raised by BP Gas Marketing on 8 April 2004. Its purpose is to further develop the provisions of Section M3.7 'More frequent readings' to establish clearly the circumstances in which Transco would accept more frequent NDM 'cyclic' Meter Readings from Users than those quantities established within Sections M3.4 and M3.5. Changes are also proposed to the IS Service Definition within the UK-Link Manual to ensure that the current capacity of Transco's UK-Link system with respect to the receipt of Meter Readings from Users is reflected. These measures are also consistent with Transco's GT Licence 'code relevant objective' of facilitating the efficient and economic operation by the licensee of its pipe-line system.

Consequence of not making this change

The provisions within Section M3.7 'More frequent readings' would not reflect the capability of UK-Link and would give rise to continued uncertainty within the community with regards to the conditions under which Transco would not accept 'cyclic' Meter Readings from Users. The risk of uncertainty would be exacerbated in the event that Modification Proposal 0683 is implemented.

Area of Network Code Concerned

Principal Document Section M3.7. UK-Link Manual IS Service Definition.

Proposer's Representative

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Proposer

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Signature

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