

# 0583:

## Requiring an Opening Meter Reading at same User Confirmation



This Modification would require Users to provide an Opening Meter Reading in the event of a re-confirmation – i.e. the Proposing User is the Existing Registered User. Where such a reading has not been provided Transporters would create an estimated Opening Meter Reading.



The Proposer recommends that this modification should be:

- assessed by a Workgroup



Medium Impact:

Shipper Users, Transporters

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About this document:		Transporter: <b>National Grid Distribution</b>
This modification will be presented by the proposer to the panel on 19 <sup>th</sup> May 2016.		Systems Provider: <b>Xoserve</b>
The panel will consider the proposer's recommendation and agree whether this modification should be:		 <a href="mailto:commercial.enquiries@xoserve.com">commercial.enquiries@xoserve.com</a>
<ul style="list-style-type: none"> <li>referred to a workgroup for assessment.</li> </ul>		
The Proposer recommends the following timetable:		
Initial consideration by Workgroup	6 <sup>th</sup> June 2016	
Workgroup Report presented to Panel	16 <sup>th</sup> June 2016	
Draft Modification Report issued for consultation	16 <sup>th</sup> June 2016	
Consultation Close-out for representations	7 <sup>th</sup> July 2016	
Final Modification Report published for Panel	20 <sup>th</sup> July 2016	
UNC Modification Panel decision	21 <sup>st</sup> July 2016	

# 1 Summary

## Is this a Self-Governance Modification?

This modification is proposed to be subject to self governance as it is not expected to have a material impact upon, or discriminate, against any parties. This modification relates to same Shipper User Confirmation and facilitates more transparent allocation of gas across variance periods.

## Is this a Fast Track Self-Governance Modification?

This modification is not proposed as a fast track modification as it is not an administrative change to the Code.

## Why Change?

Modification of the UNC is required to correct an inconsistency between the proposed legal text for Modification 0432 and the Meter Read and Settlement BRD, section 5.9.8 which states: "Where the current Registered Shipper User submits a re-confirmation for a Supply Meter Point, no change to Product, the old Confirmation will be end dated and a new Confirmation Reference will be issued to the Shipper User. An Opening read will be estimated if a read is not provided and a notification issued to the Shipper User." The Legal Text for Modification 0432 currently states that re-confirmations will be excluded from this process as detailed in TPD Section M5.13.2.

This approach would ensure consistent processes for all Supply Point Confirmations, including re-confirmation processes, providing simplified industry processes and solutions.

## Solution

Opening Meter Readings are currently not required for Supply Point re-confirmations.

It is proposed to remove the condition (TPD Section M5.13.2 (introduced as part of UNC Modification 0432) which restricts the requirement for an Opening Meter Reading to 'new' Users (i.e. transfers of Supply Point Registration) and introduces a requirement for an Opening Meter Reading to be provided in all circumstances where a Supply Point Confirmation is submitted.

The requirement to record Opening Meter Readings also applies to re-confirmations submitted prior to the Project Nexus Implementation Date therefore Transitional Rules are required.

## Relevant Objectives

This Modification would further GT Licence relevant objective f) 'Promotion of efficiency in the implementation and administration of the Code' and GT Licence relevant objective c) 'Efficient discharge of the licensee's obligations' as it will enable consistent treatment of Confirmation processes.

## Implementation

As self-governance procedures are proposed, implementation could be sixteen Business Days after a Modification Panel decision to implement, subject to no Appeal being raised.

## Does this modification impact a Significant Code Review (SCR) or other significant industry change projects, if so, how?

This Modification is required to support implementation of the UK Link Replacement programme (which incorporates the changes required for Project Nexus). This is because it assists with transition to and maintenance of the requirements set out in the Project Nexus Business Requirement Documentation. There is no impact on the Ofgem SCR.

## 2 Why Change?

The UNC TPD Section M sets out the requirements for Opening Meter Reading submission; Supply Point re-confirmations are excluded from this requirement.

This modification is required to correct an inconsistency between the proposed legal text of Modification 0432 and the Meter Read and Settlement BRD, section 5.9.8 which states: "Where the current Registered Shipper User submits a re-confirmation for a Supply Meter Point, no change to Product, the old Confirmation will be end dated and a new Confirmation Reference will be issued to the Shipper User. An Opening read will be estimated if a read is not provided and a notification issued to the Shipper User." The Legal Text for modification 0432 currently states that re-confirmations are excluded from this process as detailed in M5.13.2. The BRD was amended following direction of implementation of modification 0432.

This approach would ensure consistent processes for all Supply Point Confirmation, including re-confirmation processes, providing simplified industry processes and solutions.

Currently at Supply Point re-confirmation a variance period is created. This variance period has the effect of apportioning reconciliation energy to specific periods. The energy apportionment is not explicitly passed to Users until such time as an Individual Meter Point Reconciliation takes place. This modification proposes that Shipper Users are required to provide an Opening Meter Reading for all Supply Point Confirmation activity including where there is no change of Registered User. Where a User is unable to provide such Meter Reading the Transporter shall provide an estimated Opening Meter Reading. Such estimated Opening Meter Reading may be replaced in line with the prevailing read replacement rules.

As a re-confirmation will trigger an Individual Meter Point Reconciliation, this change would consequently improve the timeliness of reconciliations.

It should be noted that during development of UNC Modification 0576 the Workgroup identified that the estimated Opening Meter Reading should take account of the Weather Correction Factor consistent with the revised approach defined in UNC Section H2.2.1 as introduced in Modification 0432 to be implemented at Project Nexus Implementation Date. This same approach was discussed explicitly in the context of the scenario detailed in this modification. This shall be applied for both transitional and enduring calculation processes.

In addition the workgroup proposed that Meter Readings submitted as part of the Annual Quantity (AQ) Amendment process be considered in order to calculate the estimated Meter Read as part of the transitional process. This same approach was discussed explicitly in the context of the scenario detailed in this modification.

## 3 Solution

It is proposed that Opening Meter Readings are recorded for all Supply Point Confirmations, including re-confirmations by the same Registered User, following the Project Nexus Implementation Date.

Where an Opening Meter Reading is not provided the Transporter will calculate an estimated Opening Meter Reading

Transitional terms are also required as follows.

- An estimated Opening Meter Reading will be calculated for all re-confirmations (excluding, where a subsequent Confirmation has become effective) provided that the effective date of this Confirmation is after the 1<sup>st</sup> April in the Formula Year (t) t-6. This requirement is necessary regardless of whether a subsequent Meter Reading has been recorded on the Supply Point Register.
- A Shipper User may subsequently replace such estimated Opening Meter Reading subject to the prevailing read replacement rules – i.e. such Meter Read Date is subsequent to the Code Cut Off Date.

The following business rules are to be applied to calculate an estimated Opening Meter Reading

- Where readings have been submitted during the AQ Amendment process (AQ Amendment Readings) these shall be considered as candidate readings, along with other Valid Meter Readings, from which to perform the read estimation on the re-confirmation effective date..
- Valid Meter Readings and/or AQ Amendment Readings available before and / or after the re-confirmation effective date shall be used to interpolate if possible, otherwise extrapolate backwards or forwards.
- In circumstances where no Valid Meter Reading or AQ Amendment Reading is available an estimated Opening Meter Reading of all zeroes would be recorded.
- Shipper Users may seek to replace any estimated Opening Meter Readings on or after the Code Cut Off Date with an Opening Meter Reading provided that the estimated Opening Meter Read Date is within the period of that User's Supply Point Registration.

User Pays	
Classification of the modification as User Pays, or not, and the justification for such classification.	No User Pays service would be created or amended by implementation of this modification and it is not, therefore, classified as a User Pays Modification.
Identification of Users of the service, the proposed split of the recovery between Gas Transporters and Users for User Pays costs and the justification for such view.	N/A
Proposed charge(s) for application of User Pays charges to Shippers.	N/A
Proposed charge for inclusion in the Agency Charging Statement (ACS) – to be completed upon receipt of a cost estimate from Xoserve.	N/A

## 4 Relevant Objectives

Impact of the modification on the Relevant Objectives:	
Relevant Objective	Identified impact
a) Efficient and economic operation of the pipe-line system.	None
b) Coordinated, efficient and economic operation of (i) the combined pipe-line system, and/ or (ii) the pipe-line system of one or more other relevant gas transporters.	None
c) Efficient discharge of the licensee's obligations.	Positive
d) Securing of effective competition: (i) between relevant shippers; (ii) between relevant suppliers; and/or (iii) between DN operators (who have entered into transportation arrangements with other relevant gas transporters) and relevant shippers.	Positive
e) Provision of reasonable economic incentives for relevant suppliers to secure that the domestic customer supply security standards... are satisfied as respects the availability of gas to their domestic customers.	None
f) Promotion of efficiency in the implementation and administration of the Code.	None
g) Compliance with the Regulation and any relevant legally binding decisions of the European Commission and/or the Agency for the Co-operation of Energy Regulators.	None

This Modification would further GT Licence relevant objective d) 'Securing of effective competition between relevant Shippers and relevant Suppliers' by enabling transparency and enables, where available, actual consumption information be provided against the relevant period.

It would also further GT Licence relevant objective c) 'Efficient discharge of the licensee's obligations' as it will enable consistent treatment of confirmation processes.

## 5 Implementation

As self-governance procedures are proposed, implementation could be sixteen business days after a Modification Panel decision to implement, subject to no Appeal being raised.

## 6 Impacts

### Does this modification impact a Significant Code Review (SCR) or other significant industry change projects, if so, how?

This Modification is required to support implementation of the UK Link Replacement programme (which incorporates the changes required for Project Nexus) as it assists transition to and maintenance of the requirements set out in the Nexus Business Requirement Documentation.

#### Pre Project Nexus Implementation

The changes would affect the UK Link Replacement programme prior to implementation. This is because the approaches identified within this Modification are necessary to efficiently migrate data to the target system.

#### Project Nexus Implementation

The changes identified within this Modification would be applicable on an enduring basis.

## 7 Legal Text

### Text Commentary

To be provided.

### Text

To be provided.

## 8 Recommendation

The Proposer invites the Panel to:

- Determine that this modification should be subject to self-governance; and
- Progress to Workgroup assessment.