

Stage 04: Final Modification Report

0427S:

Estimated Opening Meter Reads Code Amendment

At what stage is this document in the process?

- 01 Modification
- 02 Workgroup Report
- 03 Draft Modification Report
- 04 Final Modification Report

This modification seeks to remove the 7 day timescale for submission of opening meter reads and replace it with a 10 day timescale.



Panel consideration due on 15 November 2012



High Impact:
None



Medium Impact:
None



Low Impact:
Xoserve

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About this document:

This document is a Final Modification Report, presented to the Panel on 15 November 2012. The Panel will consider the responses and agree whether or not this self-governance modification should be made.



3 Any questions?

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1 Summary

Is this a Self-Governance Modification

The Modification Panel determined that this is a self-governance modification.

Why Change?

Accurate meter reads should be provided to enable a Gas Shipper/Supplier to manage the customer relationship by billing a customer effectively and accurately. It also establishes the correct allocation of energy between Shippers. Timescales for submission of Opening Meter readings have always been challenging for Shippers/Suppliers due to the volumes and system constraints. As a result Xoserve have continued to accept reads up until the 10th business day after a change of supplier and longer in acknowledgement of this. According to the UNC a Shipper/Supplier is not **obliged** to accept a read received after the 7 day window but can **choose** to accept up to 10 days following the Supply Point Registration Date.

The Workgroup considers that ambiguity in the code is misleading and creates confusion; a consistent approach across the industry regarding the timescale for submitted reads is required.

Solution

This proposal seeks to align the code with current practise by amending the relevant section of the UNC. The modification seeks to replace the 7 business day limit with a 10 business day limit, after the Supply Point registration date.

For avoidance of doubt this solution does not change or affect the read window.

Impacts & Costs

There are no envisaged impacts on systems or processes as it is currently the status quo and will amend the Code to reflect current practice.

Implementation

As this process is already followed implementation can take place immediately following Authority approval.

The Case for Change

The modification will improve clarity and align the UNC with current practice. This modification will benefit the Industry as a whole by improving the integrity of data and causing the submission of actual reads into settlement rather than estimated ones. This will improve competition by allowing the Shipper/Supplier to generate a customer's initial bill based on an accurate reading.

2 Why Change?

Currently Xoserve accept meter reads up until the 10th business day after the Supply point registration date. As a result this change will align the UNC with current practice.

3 Solution

This modification seeks to amend section M 3.8 of the UNC as outlined below:

UNC section M 3.8 Opening Meter Readings.

- 3.8.2 The Proposing User shall secure that a Valid Meter Reading (an "**Opening Meter Reading**") is:
- (a) except in the case of a Proposing User's Estimate obtained for a Meter Read Date within the required date range; and
 - (b) provided to the Transporter not later than 16:00 hours on the ~~7th~~¹⁰ the Business Day after the Supply Point Registration Date from each Non-Daily Read Meter referred to in paragraph 3.8.1.
- 3.8.3 For the purposes of this paragraph 3.8 the required date range is the period of eleven (11) Business Days commencing five (5) Business Days before the Supply Point Registration Date.
- 3.8.4 The Transporter will not accept an Opening Meter Reading which:
- (a) is not obtained in accordance with paragraph 3.8.2(a) ~~but may (though shall not be required to) accept a Valid Meter Reading obtained in accordance with paragraph 3.8.2(a) as an Opening Meter Reading if provided to the Transporter not later than 16:00 hours on the 10th Business Day after the Supply Point Registration Date; or~~
 - (b) is for a Non Daily Read Supply Meter Point that was previously a Daily Read Supply Meter Point (with User Daily Read Equipment installed) if it is not provided by the User by 10am on the 5th Business Day after the Supply Point Registration Date.
- 3.8.5 Without prejudice to paragraph 3.8.10, where an Opening Meter Reading is not provided to the Transporter by the date required under paragraph 3.8.2(b):
- (a) (except where 3.8.7(b) applies) a notional Meter Reading will be used for the purposes of Individual NDM Reconciliation in accordance with Section E6.1.6 (and for the purposes of calculating such notional Meter Reading the Transporter may utilise any Meter Reading provided by the Proposing User to the Transporter not later than 16:00 hours on the 10th Business Day after the Supply Point Registration Date); and
 - (b) the Transporter shall not later than 15 Business Days after the Supply Point Registration Date provide such notional Meter Reading to the Proposing User and the Withdrawing User as an estimated Meter Reading.

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.	None
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	Positive
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 will remove ambiguity in UNC for the submission of opening meter readings by aligning the UNC with current practice for the submission of reads, which delivers certainty and improves consistency between the UNC and operational practice and so better facilitates the relevant objectives.

5 Impacts and Costs



Consideration of Wider Industry Impacts

There are no wider industry impacts identified.

Costs

Indicative industry costs – User Pays	
Classification of the modification as User Pays or not and justification for classification	
This modification is not User Pays as no costs are anticipated.	
Identification of Users, proposed split of the recovery between Gas Transporters and Users for User Pays costs and justification	
None	
Proposed charge(s) for application of Users Pays charges to Shippers	
None	
Proposed charge for inclusion in ACS – to be completed upon receipt of cost estimate from Xoserve	
None	

Impacts

Impact on Transporters' Systems and Process	
Transporters' System/Process	Potential impact
UK Link	<ul style="list-style-type: none"> Xoserve has agreed there will be no system impacts.
Operational Processes	<ul style="list-style-type: none"> None
User Pays implications	<ul style="list-style-type: none"> None

Impact on Users	
Area of Users' business	Potential impact
Administrative and operational	<ul style="list-style-type: none"> Minor improvement in operation practices for the submission of meter reads
Development, capital and operating costs	<ul style="list-style-type: none"> None
Contractual risks	<ul style="list-style-type: none"> None
Legislative, regulatory and contractual obligations and relationships	<ul style="list-style-type: none"> None

Where can I find details of the UNC Standards of Service?

In the Revised FMR for Transco's Network Code Modification

0565 Transco Proposal for Revision of Network Code Standards of Service at the

following location:

<http://www.gasgovernance.co.uk/sites/default/files/0565.zip>

Impact on Transporters	
Area of Transporters' business	Potential impact
System operation	• None
Development, capital and operating costs	• None
Recovery of costs	• None
Price regulation	• None
Contractual risks	• None
Legislative, regulatory and contractual obligations and relationships	• None
Standards of service	• None

Impact on Code Administration	
Area of Code Administration	Potential impact
Modification Rules	• None
UNC Committees	• None
General administration	• None

Impact on Code	
Code section	Potential impact
TPD M 3.8	•

Impact on UNC Related Documents and Other Referenced Documents	
Related Document	Potential impact
Network Entry Agreement (TPD I1.3)	• None
Network Exit Agreement (Including Connected System Exit Points) (TPD J1.5.4)	• None
Storage Connection Agreement (TPD R1.3.1)	• None
UK Link Manual (TPD U1.4)	• None
Network Code Operations Reporting Manual (TPD V12)	• None
Network Code Validation Rules (TPD V12)	• None
ECQ Methodology (TPD V12)	• None

Impact on UNC Related Documents and Other Referenced Documents	
Measurement Error Notification Guidelines (TPD V12)	<ul style="list-style-type: none"> • None
Energy Balancing Credit Rules (TPD X2.1)	<ul style="list-style-type: none"> • None
Uniform Network Code Standards of Service (Various)	<ul style="list-style-type: none"> • None

Impact on Core Industry Documents and other documents	
Document	Potential impact
Safety Case or other document under Gas Safety (Management) Regulations	<ul style="list-style-type: none"> • None
Gas Transporter Licence	<ul style="list-style-type: none"> • None

Other Impacts	
Item impacted	Potential impact
Security of Supply	<ul style="list-style-type: none"> • None
Operation of the Total System	<ul style="list-style-type: none"> • None
Industry fragmentation	<ul style="list-style-type: none"> • The Workgroup noted that there is a difference between the electricity and gas meter reading regimes. However, they do not consider this modification has a negative impact on the current process. They note it may be worth considering aligning the regimes as part of the SMART metering roll out.
Terminal operators, consumers, connected system operators, suppliers, producers and other non code parties	<ul style="list-style-type: none"> • None

6 Implementation

As self-governance procedures are proposed, implementation could be 16 business days after a Modification Panel decision to implement.

7 The Case for Change

Nothing in addition to that identified above.

8 Legal Text

Text

Northern Gas Networks has prepared the following Text.

Uniform Network Code – Transportation Principal Document

Section M – SUPPLY POINT METERING

Amend paragraph 3.8.2(b) to read “provided to the Transporter shall not later than 16.00 hours on the 10th Business Day after the Supply Point registration Date from each Non-Daily Read Meter referred to in paragraph 8.3.1.”

Amend paragraph 3.8.4(a) to read “is not obtained in accordance with paragraph 3.8.2(a); or”

9 Consultation Responses

Representations were received from the following parties:

Company/Organisation Name	Support Implementation or not?
British Gas	Supports
Corona Energy	Supports
DONG Energy	Supports
E.ON UK	Supports
National Grid Distribution	Supports
RWE npower	Supports
Scotia Gas Networks	Supports
ScottishPower	Supports
SSE	Supports

Of the 9 representations received implementation was unanimously supported.

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Summary Comments

E.ON UK advises that a separate modification to the iGT UNC has been raised to ensure that there is a consistent approach to the Opening Meter Reading Submission Window across all Gas Transporters/and their Agents.

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10 Panel Discussions

11 Recommendation

Panel Recommendation

Having considered the 0427S Modification Report, the Panel determined:

- that proposed self-governance Modification 0427S [should/should not] be made;