

## **CODE MODIFICATION PROPOSAL No. 0014(0741)**

"To allow the use of a new type of read - an early or Point of Sale read - in estimating a Change of Supplier Meter Reading"

Version 2.0

**Date:** 10/02/2005

**Proposed Implementation Date:** 06/11/2005

**Urgency:** Non-Urgent

### **Proposer's preferred route through modification procedures and if applicable, justification for Urgency**

(see the criteria at [http://www.ofgem.gov.uk/temp/ofgem/cache/cmsattach/2752\\_Urgency\\_Criteria.pdf](http://www.ofgem.gov.uk/temp/ofgem/cache/cmsattach/2752_Urgency_Criteria.pdf))

This Modification Proposal is part of the End to End solutions submitted by the Customer Transfer Programme (CTP). The justification for this change is therefore part of a wider set of proposals and should be considered as such.

The CTP has identified opportunities for improving the accuracy of estimates produced by the Gas Transporter (GT) as Change of Supplier Meter Readings.

Where a supplier captures a meter reading from the customer at Point of Sale or at any time earlier than the Change of Supplier Meter Reading window, it cannot currently be used in the generation of Change of Supplier Reading estimates by the GT. However, Suppliers can currently use these readings internally for validation purposes.

This Modification proposes that the New Supplier may choose to submit this reading, known as the 'Early (Point of Sale) Reading', via their Confirming Shipper to the GT, thereby increasing the number of recent customer readings the GT has available to it to validate or estimate a COS reading.

Disputed opening and closing bills will be reduced because the Meter Reading history is improved by the submission of extra reads into the process and therefore should result in improved estimated Change of Supplier Meter Readings. Consequently, there will be less recourse to the Shipper Agreed Read process.

The CTP has not sought to define processes for the capture of this 'Early (Point of Sale) Reading', as this will be linked to suppliers' own sales strategies and practices. However, through this Modification Proposal, it proposes a means for suppliers who have obtained an 'Early (Point of Sale) Reading' (dated prior to the Opening Meter Reading window) to transmit it via their Confirming Shipper to the GT.

This proposal has had extensive discussion with the Supply Point and Billing workstream which has raised no significant concerns.

### **Nature and Purpose of Proposal (including consequence of non implementation)**

This Modification Proposal is part of the End to End Solutions developed by the Customer Transfer Programme (CTP). The purpose of this change is to allow the New Shipper to submit actual meter readings which were obtained prior to the Opening Meter Reading window to the GT. The GT can then make use of the readings to produce a more accurate estimated Change of Supplier Meter Reading.

It is the aim of this proposal to increase the robustness of the Change of Supplier process by improving the accuracy of Change of Supplier Meter Reading estimates. There are circumstances that exist where a Change of Supplier read is not obtained by the Meter Reading Agent or directly from the Customer. In these cases, the GT estimate may be based upon Meter Reading history that has drifted out of alignment with customer billing. This Modification will improve the accuracy of estimated Change of Supplier Meter Readings by allowing the Registered User to submit reads captured by the New Supplier prior to the Opening Meter Reading window.

The Proposer considers that this Modification would better facilitate the following GT Licence Code relevant objectives:

(c) so far as is consistent with sub -paragraphs (a) and (b), the securing of effective competition between relevant shippers and between relevant suppliers, by:

- Improving the efficiency, accuracy and timeliness of the Change of Supplier process;
- Improving the acceptability of Change of Supplier meter readings to Customer, both Suppliers and their Shippers; and
- Improving the timeliness with which Change of Supplier meter readings become available.

### **Basis upon which the Proposer considers that it will better facilitate the achievement of the Relevant Objectives, specified in Standard Special Condition A11.1 & 2 of the Gas Transporters Licence**

Failure to progress this change will result in the volume of Shipper Agreed Reads continuing at present levels, with the attendant poor customer experience and Shipper cost. As these proposals are being progressed in tandem with supporting SPAA changes and in parallel with electricity market changes, failure to make these changes may cause Network Code and SPAA Change processes to fall out of alignment and would lead to greater divergence between electricity and gas processes.

### **Any further information (Optional), likely impact on systems, processes or procedures, Proposer's view on implementation timescales and suggested text**

### **Code Concerned, sections and paragraphs**

**Section M. Potential Changes highlighted below:**

A further definition of "Meter Reading" called "Early (Point of Sale) Reading" should be added to Paragraph 1.4.3 in Section M with the following wording:-

"an "Early (Point of Sale) Reading" is a reading for Smaller Supply Points only that has been obtained by the owner or occupier of the Supply Point Premises prior to the Opening Meter Reading window. This reading should be submitted to the GT by the Proposing Shipper after they become the Registered User in the absence of an actual Meter Reading in the Opening Meter Reading window. This reading should be used by the GT as a cyclic reading in the generation of a notional Meter Reading as outlined in paragraph 3.8.5 (a)."

Changes will be required to Section M3.3.4, in order that any submitted 'Early (Point of Sale) Readings' are exempt from the obligations specified.

**Proposer's Representative**

Jason Brogden (E.ON UK plc)

**Proposer**

Alex Travell (E.ON UK plc)

**Signature**

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