Modification Report
Acceptance of AMR reads at supply points with correctors
Modification Reference Number 0080

Version 2.0

This Modification Report is made pursuant to Rule 7.3 of the Modification Rules and follows the format required under Rule 9.6.

1. The Modification Proposal

At present the Uniform Network Code specifies that where a converter is fitted at a metering installation, the index, uncorrected and corrected readings are not all required to constitute an accepted reading where Daily Read equipment is installed. This recognises that limited capacity of the equipment does not allow all three readings to be transmitted. Section M 1.4.3 (a) specifies that the reading of the index **and** the unconverted reading are not required. This Modification Proposal would extend this to include meter readings from any form of automated meter reading (AMR) equipment. It is proposed that the submission of the uncorrected read is optional but not mandatory.

Consequences of not making the change. What would happen if the status quo remains?

This Modification Proposal would allow a greater number of AMR readings to be accepted by the systems. This in turn facilitates greater efficiencies within the operation of the Shipper and Supplier processes.

Without this change it will be necessary to carry out a greater number of manual reads, retaining unnecessary costs and inconvenience to the customer.

2. Extent to which implementation of the proposed modification would better facilitate the relevant objectives

The Proposer believes that implementation of this Modification Proposal will further the relevant objectives, as specified in SSC A11 of the Gas Transporters licence, by:-

- Efficient and economic operation of the pipe-line system (para (a))
- Securing effective competition between relevant suppliers and shippers (para (d) (i) and (ii))

By allowing a greater number of actual meter readings to be accepted on the systems. This will improve the correct estimation and deeming processes; this in turn improves the planning and operation of the networks. The increase in actual readings will enhance the information available in the AQ setting process in addition to the accurate reconciliation of energy consumed. The acceptance of automated meter readings will reduce operational and administrative costs of Shippers and Suppliers.

TGP and RWE agreed implementation would promote efficiency

NG UKD agreed implementation would promote effective competition.

Corona and EON agreed implementation would promote efficiency and effective competition.

3. The implications of implementing the Modification Proposal on security of supply, operation of the Total System and industry fragmentation

The implementation of this proposal should not have any effect on security of supply, operation of the Total System, or industry fragmentation.

4. The implications for Transporters and each Transporter of implementing the Modification Proposal, including

a) implications for operation of the System:

No implications for operation of the system have been identified.

b) development and capital cost and operating cost implications:

A medium level of UK Link development costs will be incurred by Transporters.

c) extent to which it is appropriate to recover the costs, and proposal for the most appropriate way to recover the costs:

No cost recovery mechanism is proposed.

d) analysis of the consequences (if any) this proposal would have on price regulation:

No such consequences on price regulation have been identified.

5. The consequence of implementing the Modification Proposal on the level of contractual risk of each Transporter under the Code as modified by the Modification Proposal

No such consequences have been identified.

6. The high level indication of the areas of the UK Link System likely to be affected, together with the development implications and other implications for the UK Link Systems and related computer systems of each Transporter and Users

Work is required to make the provision of an unconverted reading a non-mandatory requirement (this being mandatory currently).

7. The implications of implementing the Modification Proposal for Users, including administrative and operational costs and level of contractual risk

No such implications have been identified though comments were specifically invited in respect of the level of contractual risk (if any) presented by the potential for unchecked drift between the meter reading index and the unconverted read.

8. The implications of implementing the Modification Proposal for Terminal Operators, Consumers, Connected System Operators, Suppliers, producers and, any Non Code Party

No such implications have been identified.

9. Consequences on the legislative and regulatory obligations and contractual relationships of each Transporter and each User and Non 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

- Reduces the installation costs of AMR equipment
- A greater number of meter readings will be available to Users to issue to the transporter.
- A higher proportion of AMR readings will reduce exposure to the risk associated with manual readings .

EON agreed implementation would achieve the listed advantages

Disadvantages

- None identified

Corona concurred that they "*see no disadvantages related to the implementation of this proposal*" confirming they "*fully endorse the sentiments captured therein*".

11. Summary of representations received (to the extent that the import of those representations are not reflected elsewhere in the Modification Report)

Organisation	Abbreviation	Position
British Gas	BGT	For
Corona Energy	Corona	For
E.ON UK	EON	For
Gaz de France	GDF	Comments
National Grid Distribution	NG UKD	For
RWE Npower	RWE	For
Total Gas & Power	TGP	For

BGT had one substantive comment on the Draft Modification Report in respect of the proposed legal text. "*The Modification Proposal is specific in citing the existing process for reads of Daily Metered supply points. This requires the provision of the corrected read in addition to either the Meter index* ***OR*** *the uncorrected reading from the corrector. However, in the proposed drafting for this Modification this would only relax the requirement to provide the uncorrected reading. This may be more restrictive to some Users than was intended by the Modification Proposal. It had been suggested that simply to include the term "Remote Meter Reading Equipment" alongside Daily Read Equipment would support this additional flexibility. In this event the drafting could read :-*

1.4.3 For the purposes of the Code, in relation to a Supply Meter:

(a) a ***"Meter Reading"*** *is:*

(i) the reading of the index of the Supply Meter; and

(ii) where a convertor is installed as described in paragraph 1.2.3, the converted and the unconverted readings of the convertor except that where Daily Read Equipment, or Remote Meter Reading Equipment, and such a convertor are installed, a Meter Reading need not

include both the reading under paragraph (i) and the unconverted reading under paragraph (ii)

We commend adoption of this simpler drafting".

The SME would respond that the wording of the Proposal states *"...limited capacity of the equipment does not allow all three readings to be transmitted. Section M 1.4.3 (a) specifies that the reading of the index* ***and*** *the unconverted reading are not required. This Modification Proposal would extend this to include meter readings from any form of automated meter reading (AMR) equipment. It is proposed that the submission of the uncorrected read is optional but not mandatory"*. Given the clear statement in the final sentence above it was interpreted by the drafting lawyer that the proposer, in recognising the limitation of the AMR installation, was, in the case of corrected NDM sites, specifying which of the three readings was being made an optional requirement as opposed to the DM regime requiring either the unconverted read or the reading of the index.

Corona believes "*that the Proposal is pragmatic as it aligns AMRs with Daily Read Equipment. This will ensure more automated reads are captured, which in turn will reduce industry costs and maximise efficiencies in a number of key processes*".

GDF outlined current UNC provisions stating "*where a Meter and Converter are fitted it requires the provision of the Meter Read, Uncorrected Read and Corrected Read to be provided. This is based on the historic nature of the reading service being a physical visit to the site.*

When an AMR solution is installed at the site it generally takes its output solely from the Corrector (as the Corrector will be utilising the Pulse feed from the Meter) and accordingly is able to record both the Uncorrected and Corrected data from the Corrector. In most cases it is unable to directly record the Meter Index itself. The AMR therefore generally is able to transmit the Uncorrected and Corrected data to the Supplier via the AMR service. To obtain the Meter Read from AMR would mean deriving it from the record of uncorrected consumption at site".

GDF therefore believes the principle that should have been addressed is "*If a Corrector is present and an AMR is installed the requirement to provide reads to the Transporter should always include the Uncorrected and the Corrected Reads but should not mandate the inclusion of the Meter Read*".

The SME would seek to clarify that the meter reading requirements for sites where a convertor and AMR equipment are installed are proposed to be:

- a reading of the index (mandatory)
- the converted reading (mandatory)
- the unconverted reading (optional)

The SME would add that having discussed the issue with a significant industry metering services provider, it has been established that to make AMR equipment as economic as possible, it is necessary to configure this to only receive two signals generated by the convertor. Whilst GdF are correct in stating that "*In most cases it is unable to directly record the Meter Index itself"* the metering services provider contacted confirmed that it is

able to configure the AMR device to replicate the reading of the meter index. Accordingly as the '*prima facie*' evidence of consumption, it would seem important that the meter index should in all instances be recorded.

In practice, in respect of the meter index, the AMR device is able to replicate the value of the index – by virtue of incrementing the meter index by the number of pulses received from the convertor, via the unconverted output, these pulses having originated from the meter itself.

NG UKD agreed with the SME's clarification "*that the Meter Reading requirements for Supply Meter Points where a convertor and AMR equipment are installed are proposed to be:*

- *a reading of the index (mandatory)*
- *the converted reading (mandatory)*
- *the unconverted reading (optional)*"

Noting that the legal drafting reflects the above position, NG UKD added they *"share the view that allowing a greater number of actual Meter Readings to be accepted on the system is likely to improve relevant processes such as AQ derivation and Individual Meter Point Reconciliation. However, we believe that this is a passive benefit on the basis that the Uniform Network Code (UNC) already permits the submission by Users of Non-Daily Metered (NDM) Meter Readings procured by AMR equipment. This Modification Proposal increases the likelihood of greater numbers of such equipment being installed given that costs of installing such would be reduced".*

12. The extent to which the implementation is required to enable each Transporter to facilitate compliance with safety or other legislation

Implementation is not required to enable each Transporter 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 paragraph 5 of Condition A4 or the statement furnished by each Transporter under paragraph 1 of Condition 4 of the Transporter's Licence

Implementation is not required having regard to any proposed change in the methodology established under paragraph 5 of Condition A4 or the statement furnished by each Transporter under paragraph 1 of Condition 4 of the Transporter's Licence.

14. Programme for works required as a consequence of implementing the Modification Proposal

Works are required to amend UK Link (and relevant UK Link file format fields) to remove the mandatory nature of the unconverted read.

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

Contingent on changes to UK Link. Implementation timescales to be discussed within the UK Link Committee.

16. Implications of implementing this Modification Proposal upon existing Code Standards of Service

No implications of implementing this Modification Proposal upon existing Code Standards of Service have been identified.

17. Recommendation regarding implementation of this Modification Proposal and the number of votes of the Modification Panel

At the Modification Panel Meeting held on 6 July 2006, of the 8 Voting Members present, capable of casting 10 votes, 7 votes were cast in favour of implementing this Modification Proposal. Therefore the Panel recommend implementation of this Proposal.

18. Transporter's Proposal

This Modification Report contains the Transporter's proposal to modify the Code and the Transporter now seeks direction from the Gas & Electricity Markets Authority in accordance with this report.

19. Text

UNIFORM NETWORK CODE – TRANSPORTATION PRINCIPAL DOCUMENT
SECTION M – SUPPLY POINT METERING

Amend paragraph 1.4.3 as follows:

"1.4.3 For the purposes of the Code, in relation to a Supply Meter:

(a) a **"Meter Reading"** is:

(i) the reading of the index of the Supply Meter; and

(ii) where a convertor is installed as described in paragraph 1.2.3, the converted and the unconverted readings of the convertor

except that where Daily Read Equipment and such a convertor are installed, a Meter Reading need not include both the reading under paragraph (i) and the unconverted reading under paragraph (ii) or where Remote Meter Reading Equipment and such a convertor are installed, a Meter Reading need not include the unconverted reading of the convertor under paragraph (ii);"

Subject Matter Expert sign off:

I confirm that I have prepared this modification report in accordance with the Modification Rules.

Signature:

Date :

Signed for and on behalf of Relevant Gas Transporters:

Tim Davis
Chief Executive, Joint Office of Gas Transporters

Signature:

Date :