

CODE MODIFICATION PROPOSAL No. 0099
"Management of erroneous Domestic AQs during the Registration process"
Version 4.0

Date: 26/09/06

Proposed Implementation Date:

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)

This topic was discussed within the Distribution Workstream at the May 2006 meeting. It is requested that this Modification Proposal goes to the Distribution Workstream for further development.

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

This Modification Proposal is raised to deal with the downgrading of Domestic sites with large erroneous AQs. It is acknowledged that upgrading erroneous low AQs (e.g. a situation where supply meter point is set at 1) is also considered important. This may be addressed separately but it is not the intention of this Modification proposal to consider changes in upgrading erroneous low AQs. This proposal should be considered as a separate and independent Modification Proposal.

Currently, when gaining a site through the Change of Supplier process, the new Supplier inherits the AQ value that was allocated to the MPRN. However, in some cases these AQ values are incorrect by a significant margin due to a number of reasons. This could be a result of a meter exchange gone undetected by the previous Supplier, an incorrect meter read submitted to the new Supplier or where the confirming Supplier cannot get readings from the customer or previous Supplier.

When this happens, the Transporter will bill the Shipper for both Capacity and Commodity charges at an incorrect level. The Commodity charge will be corrected by reconciliation of the deemed consumption following the submission of a meter read, but the Capacity charge will not be corrected.

There is a process for getting the initial AQ corrected, which is appealed either by the submission of two meter readings with a minimum time between reads of 186 days or the use of a BTU form. The problem with the former is that there is still a long delay during which incorrect Commodity charges are applied. The BTU form allows Shippers to obtain information as to the likely consumption for a residential property. The information required on the BTU form includes details of customer's property, the gas ratings of all appliances and the customer signature certifying details provided and this must be submitted to the Transporter within the narrow timetable as defined in Section G 1.6.11 of the Uniform Network Code (UNC).

The problem associated with the use of a BTU form is the high level of customer involvement needed to complete the relevant details on the form. Due to the technical nature of the information required, an incredibly low level of response has been and continues to be experienced. Though there are only a small number of residential properties with high erroneous AQ, the financial impact can be significant to the Shippers.

There is the additional problem of these very large but incorrect AQs giving incorrect signals to the Transporter for system management purposes.

With the current BTU form, it is almost impossible to meet the domestic registration criteria due to timescales set in Section G 1.6.11 of the UNC. A Shipper has not more than 7 business days prior to and no later than 23 business days after the Supply Point Registration Date to notify the Transporter that the AQ fails to satisfy the requirement in Section G paragraph 1.6.6 of the UNC. For an appeal against an erroneous AQ to be successful, a Shipper must have received the completed BTU form from the customer and submit this to the Transporter within a timescale of between SSD -7 to SSD +23. An appeal is made under section G.1.6.13 of the UNC.

It is therefore proposed that the current BTU form be complemented with a revised BTU form (see appendix) which includes a table of values (see fig 1) based on the current NExA table. The NExA table is an industry recognised set of values that is used by Users. The NExA table is solely based on regional estimates and does not require the customer's signature or gas ratings of appliances on a customer property.

Fig 1

Band	House Type	South SW, NT, WS, SO (92%)		Average WN, SE, NW, EA, EM, WM, NE (0%)		North NO, SC (108%)	
		AQ (kWh)	TPA	AQ (kWh)	TPA	AQ (kWh)	TPA
A	1 Bed	8,815	301	9,585	327	10,127	346
B	2BF, 2BT	10,639	363	11,270	385	11,659	398
C	2BS, 2BD, 3BT, 3BF	13,120	448	13,530	462	14,255	486
D	3BS, 2BB	14,348	490	14,611	499	15,871	542
E	3BD, 3BB	16,180	552	17,303	590	19,758	674
F	4BD, 4BT, 4BS, 4BB	19,823	676	21,195	723	22,690	774
G	5BD, 5BS, 6BD	28,077	958	30,035	1,025	31,176	1,064

The use of the proposed form would provide greater transparency and good accountability of AQ values relating to erroneous charges. It would also provide efficient management of the system through the provision of better quality data. The revised form would help to determine the likely gas consumption on a residential property and should only be used for:

- A Change of Supplier process.
- Domestic properties with AQ above industry recognised threshold of 293,000 KWh i.e. monthly meter read cycle.

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

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

- *Securing effective competition between relevant suppliers and shippers (paragraph (d) and (ii) "*
- *Efficient and economic operation of pipeline system (paragraph (a))*

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

Currently we are not aware of any associated system costs as this Proposal changes an offline procedure. It is expected that minor changes to relevant users' operational processes and procedures would be required to accommodate the implementation of this Modification Proposal. It may be considered prudent to monitor the level of activity as a result of implementation of this proposal but this is not expected to incur significant cost.

Prospective Erroneous Large AQ Calculation Proforma
for use where no meter readings are available and the AQ value is incorrect
(Residential Properties above 293,000 kWh use only)

Shipper:		Premise Address:					
M Number:							
Meter Serial Number:							
Property Type	Flat / Terrace / Semi Detached / Detached / Bungalow						
Number of Bedrooms	1 / 2 / 3 / 4 / 5 / 6						
Is Gas Central Heating used?	YES / NO						
Additional equipment or extension to the property, e.g. swimming pool, annex (please state)							
Estimated Average annual gas consumption for domestic dwellings in the UK							
Band	House Type	South SW, NT, WS, SO (92%)		Average WN, SE, NW, EA, EM, WM, NE (0%)		North NO, SC (108%)	
		AQ (kWh)	TPA	AQ (kWh)	TPA	AQ (kWh)	TPA
A	1 Bed	8,815	301	9,585	327	10,127	346
B	2BF, 2BT	10,639	363	11,270	385	11,659	398
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Previous Suppliers Last Read & Date							
Change of Supplier Opening Read & Date							
Estimated Annual Quantity:		KWh					
Shipper Representative:							
Shippers Signature:							
Date:							

N.B INCORRECT OR INSUFFICIENT INFORMATION CAN RESULT IN REJECTION

Code Concerned, sections and paragraphs

UNC TPD Section G 1.6

Proposer's Representative

Simon Howe (RWE Npower Plc)

Proposer

Chris Harris (RWE Npower Plc)

Signature

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