

**Workstream Report**  
**Management of erroneous Domestic AOs during the Registration process**  
**Modification Reference Number 0099**

Version: 1.0

This Workstream Report is presented for the UNC Modification Panel's consideration. The consensus of attendees at the Distribution Workstream is that the Proposal should now proceed to the Consultation Phase.

**1. The Modification Proposal**

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		<b>Flat / Terrace / Semi Detached / Detached / Bungalow</b>					
Number of Bedrooms		<b>1 / 2 / 3 / 4 / 5 / 6</b>					
Is Gas Central Heating used?		<b>YES / NO</b>					
Additional equipment or extension to the property, e.g. swimming pool, annex (please state)							
<b>Estimated Average annual gas consumption for domestic dwellings in the UK</b>							
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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G	5BD, 5BS, 6BD	28,077	958	30,035	1,025	31,176	1,064
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

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

The Workstream debated whether implementation of this Modification Proposal may 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))* - by removing inappropriate cost allocations, thereby improving cost reflectivity, and by making the change of supplier process more efficient in that less and more easily obtainable information would be required from consumers to support an AQ amendment, implementation may be expected to facilitate the achievement of this relevant objective.
- *Efficient and economic operation of the pipeline system (paragraph (a))* - by avoiding the need to contact some customers in an emergency situation and potentially reducing storage monitors, implementation could facilitate the achievement of this relevant objective.
- *Efficient implementation of UNC* - by streamlining the AQ process, this relevant objective would be facilitated by implementation of this Proposal. However, this is dependent on the costs incurred by the Transporters to support the process. If significant systems development work were required, this relevant objective would be unlikely to be furthered.

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

No material implications are anticipated.

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

**a) implications for operation of the System:**

No material implications for operation of the system have been identified.

**b) development and capital cost and operating cost implications:**

No development and capital cost and operating cost implications have been quantified. However, xoserve has suggested that, based on the Proposal as drafted, costs would be incurred.

**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 are anticipated.

**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 are anticipated.

**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**

Some system implications are anticipated by the Transporters, given the present drafting of the Proposal. Details are not available at present.

The Proposer believes that existing processes may be capable of dealing with the proposed change since the essence of the Proposal is to change the form, and hence information, which must be provided to support a change in AQ. With no change in the subsequent processes, no significant development costs should be incurred.

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

It is expected that minor changes to relevant Users' operational processes and procedures would be required to accommodate the implementation of this Modification Proposal. Its implementation, however, may only involve minor associated costs during scheduled system updates.

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

More accurate cost allocations should result in more appropriate charges for consumers.

The Change of Supplier process may be more efficient, requiring customers to provide more readily available information.

**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**

- More efficient Change of Supplier process
- More accurate cost allocations

**Disadvantages**

- (As yet unidentified) Implementation costs
- Incentive to resolve underlying data issues reduced

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

No written representations have been received in respect of this Workstream Report.

**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. Program for works required as a consequence of implementing the Modification Proposal**

None identified.

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

Implementation could be shortly after direction from the Authority unless systems development is necessary.

**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. Workstream recommendation regarding implementation of this Modification Proposal**

The Distribution Workstream recommends that the Panel should agree to send this Proposal to consultation.