

**Modification Report**  
**Amendment to the window for acceptance of Meter Reads by the Transporter**  
**Modification Reference Number 0124**  
Version 3.0

This Modification Report is made pursuant to Rule 9.3.1 of the Modification Rules and follows the format required under Rule 9.4

## **1. The Modification Proposal**

Paragraph 3.3 of Section M of the Uniform Network Code provides for the manner and timing of the submission of Meter Readings to the Transporter in order that they can be validly utilised for reconciliation and other purposes.

Following the introduction of revised arrangements for metering and meter reading, a number of parties and agencies are now involved in this process. Combined with the requirements that Suppliers will carry out to properly validate meter readings, this can mean that many readings are not available for submission within the 15 Business day window.

It is therefore proposed that the paragraph M3.3.4(b) is amended to require Users to submit 100% of Meter Reads by the 15<sup>th</sup> Business Day after the Meter Read date. This will allow a much higher proportion of valid meter reads to be accepted by Transporters and this in turn will improve the accuracy of the allocation of energy through the reconciliation process. It would also provide for a greater number of meter reads to be accepted for purposes of setting Annual Quantities (AQ) which itself will improve the accuracy of deeming volumes of energy at supply points. In order to retain a balanced flow of meter reads submitted, it is also proposed to extend the timescale within which 50% of reads are to be submitted to 10 Business Days (paragraph M3.3.4(a)).

### **Consequences of non-Implementation**

Valid meter readings would be rejected by Transporters and this will mean that reconciliation of Large Supply Points (LSPs) will not be carried out. The rejection of these reads will also mean that they are not applied to the process by which AQs are set for all NDM supply points.

### **Proposer's Suggested Text**

The Proposer's suggested text, to be verified by Transporters, replaces the numbers in M3.3.4 such that it reads as follows:

- 3.3.4 The requirement referred to in paragraph 3.3.3 is that, of the Valid Meter Readings obtained by a User pursuant to paragraphs 3.4 and 3.5 in respect of Relevant Non-daily Read Supply Meters on any particular Day:
- (a) not less than 50% are provided (in accordance with paragraph 3.3.1) by the 10<sup>th</sup> Business Day after the Meter Read Date;
  - (b) not less than 100% are provided (in accordance with paragraph 3.3.1) by the 15<sup>th</sup> Business Day after the Meter Read Date.

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

By facilitating acceptance of more valid Meter Readings, implementation would facilitate more accurate allocation of energy and transportation charges between Users. This would permit improved targeting of energy balancing charges and increase the cost reflectivity of Transportation Charges, thereby better facilitating achievement of the Code Relevant Objective of securing effective competition between relevant shippers.

Indications as to the additional number of valid Meter Readings likely to be accepted would be particularly helpful, but were not available when the Workstream Report was produced nor provided in representations.

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

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:**

No development and capital cost and operating cost implications have been identified beyond those detailed below with respect to xoserve systems.

**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**

A small systems change would be required to amend parameters.

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

Users would be able to submit an increased number of valid meter readings, and submit them later than at present.

In their consultation responses, NG UKD and WWU pointed out that extending the period for read provision increases the risk of stock-piling.

**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**

- allows a greater number of valid meter reads to be accepted by Transporters
- improves the accuracy of the allocation of energy through the reconciliation process.
- greater number of meter reads will be accepted for purposes of setting Annual Quantities (AQ).
- improves the accuracy of deeming volumes of energy at supply points.

**Disadvantages**

- systems development costs would be incurred
- increases the potential for the number of Meter Readings submitted in a day to exceed system capacity

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

Representations were received from the following parties:

<b>Organisation</b>	<b>Abbreviation</b>	<b>Position</b>
British Gas Trading	BGT	Supports
EDF Energy	EDF	Supports
National Grid Distribution	NG UKD	Supports
RWE npower	RWE	Supports
Scotia Gas Networks	SGN	Supports
Total Gas and Power	TGP	Supports
Wales & West Utilities	WWU	Not in Support

Issues raised in these representations which were not in the draft Modification Report were:

- BGT added that implementation would improve the efficiency of the change of supplier process.
- BGT and NG UKD argued that provision of additional meter readings would reduce the likelihood of must reads being required.
- WWU suggested that introducing a buffer for the potentially small percentage of meter reads that require extra validation time may be a more cost effective means of achieving the benefits.
- EDF suggested implementation would potentially reduce residual balancing actions by National Grid.
- EDF suggested that Suppliers would be able to bill customers more accurately.

**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**

xoserve would require a change order before undertaking systems work.

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

It is recommended that the timing of implementation should be subject to UK Link Committee approval.

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

NG UKD identified that if the 400,000 daily read submission limit is exceeded and causes a UK Link Failure, there is a risk that any Code Standard of Service that relies on the UK Link system for its delivery will not be met.

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

At the Modification Panel meeting held on 18 January 2007, of the 8 Voting Members present, capable of casting 9 votes, 9 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 Transporters now seek direction from the Gas & Electricity Markets Authority in accordance with this report.

**19. Text**

**TPD SECTION M: SUPPLY POINT METERING**

*Amend paragraph 3.3.4 to read as follows:*

3.3.4 The requirement referred to...on any particular Day:

- (a) not less than 50%...by the 10<sup>th</sup> Business Day after the Meter Read Date;
- (b) not less than 100%...by the 15<sup>th</sup> Business Day after the Meter Read Date.

For and on behalf of Relevant Gas Transporters:

**Tim Davis**  
**Chief Executive Joint Office of Gas Transporters**