

CODE MODIFICATION PROPOSAL No. 0124
“Amendment to the window for acceptance of Meter Reads by the Transporter”
Version 2.0

Date: 29 November 2006

Proposed Implementation Date: As soon as possible

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)

Urgent procedures are not sought for this Proposal.

This proposal was initially considered by the Modification Panel on 16th November 2006, where it was felt that it would benefit from further development by the Distribution Workstream.

It was subsequently considered by that Workstream on 23 November 2006. The proposer has decided to revise the original proposal in line with discussions at that Workstream. Whereas the original proposal sought to extend the meter read submission window from the current 10 business days, to become 20 business days, this revised proposal advocates an extension from the current 10 business days to become 15 business days. All other aspects of the original proposal remain unchanged.

The proposer now feels this to be sufficiently developed to return the Modification Panel, where it is suggested that it should proceed to consultation. It is further suggested that the consultation period be reduced to 10 business days, which would facilitate consideration of the Final Modification Report by the Panel in January 2007.

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

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 10 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 15th 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.

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 this modification proposal would further the relevant objectives as defined in SSC A11 of the Gas Transporters Licence as follows:-

By ensuring the correct allocation of energy and transportation charges by acceptance of more valid Meter Readings: –

- (a) the efficient and economic operation of the pipe-line system to which this licence relates;
- (b) so far as is consistent with sub-paragraph (a), the coordinated, efficient and economic operation of (i) the combined pipe-line system, and/ or (ii) the pipe-line system of one or more other relevant gas transporters;
- (d) so far as is consistent with sub-paragraphs (a) to (c) the securing of effective competition:
 - (i) between relevant shippers
 - (ii) between relevant suppliers

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

The proposer believes that this Modification Proposal would have minimal impact upon systems and processes. It would require only the extension of the window of acceptance of valid meter reads. Our initial view on the drafting required is simply the amendment of the number in paragraph 3.3.

For the reasons given above, we believe that the implementation timescales could be very short and could be effective from the beginning of the month following that when a decision to implement may be made.

a. Proposed legal text

Suggested revised text, to be verified by Transporters.

Uniform Network Code - Section M, paragraph 3.3.4

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 10th Business Day after the Meter Read Date;

(b) not less than 100% are provided (in accordance with paragraph 3.3.1) by the 15th Business Day after the Meter Read Date.

Code Concerned, sections and paragraphs

Uniform Network Code - Section M, paragraph 3.3.4

Proposer's Representative

Chris Wright, British Gas Trading

Proposer

Mike Young, British Gas Trading

Signature

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