

Review Group Report
Review Proposal Reference Number 0175
"Encouraging Participation in the elective Daily Metered Regime"

This Review Report is presented for the UNC Modification Panel's consideration. The consensus of attendees at the Review Group is that the Review is concluded and that further development of the tactical solution identified should now take place by way of a new Modification Proposal and associated Business Rules.

Appendix 1 contains the Terms of Reference.

Appendix 2 provides a summary presentation of the potential tactical solution which has been identified and an initial draft of the high level Business Rules.

1. Review Proposal

Gaz de France raised Review Proposal 0175 on 14 September 2007, the content of which is also included within the Terms of Reference.

2. Review Process

In accordance with the Modification Rules, at its meeting on 20 September 2007 the Modification Panel determined that the Review Proposal should be referred to a Review Group for progression. This Review Report was subsequently compiled by the Joint Office of Gas Transporters, and approved by Review Group attendees.

3. Areas Reviewed

The Review Group discussions initially focussed on four potential models to encourage greater participation in the elective Daily Metered regime.

1. Transporter retains obligations (minimum change).
2. Shipper takes obligations.
3. Competitive Data Collector.
4. Single Data Collector.

After a period of detailed analysis by the Transporters' Agent, a workable tactical solution was agreed based on the existing DM business rules, with AMR sites being elective DM and treated like mandatory DM sites for settlement purposes. A ROM (Rough Order of Magnitude) cost assessment assuming up to 25,000 Supply Points was produced by using an initial draft of high level Business Rules.

4. Recommendations

The Modification Panel is invited to accept this report and the Review Group's recommendations that;-

1. No further work is required in respect of the Review Proposal, by the Review Group.
2. The industry should now move to developing a firm Modification Proposal and associated detailed Business Rules to facilitate formal systems analysis and arrive at firm costs.

Appendix 1 Terms of Reference

Purpose

This review proposal seeks to establish the benefits and opportunities associated with encouraging participation in the elective Daily Metered Regime.

Background

With the development of competitive Automated Meter Reading (AMR) Services it is timely to consider the current monopolistic nature of the DM market and to also consider whether unbundling DM Services would be appropriate. In addition the 2007 Energy White paper proposes the roll out of AMR across much of the Industrial and Commercial market with one of the primary objectives being to further energy conservation.

Under current UNC arrangements, shippers have had the ability to elect to be Daily Metered over and above the Domestic (2,500 therm) threshold. However, few sites have taken advantage of this facility. The introduction of competition into a market segment which is constrained by its cost and complexity should allow a greater degree of participation in the DM market and help extend competition in the metering market.

Increasing the number of meter readings provided to the Transporters should result in improved data quality and a reduction in the energy taken into monthly reconciliation and RbD. Indeed the Authority recognised this in its decision letter on UNC Mod 088 "we recognise that the use of AMR technology of the type envisaged in this proposal could deliver benefits by providing improved information for shippers, GTs and the SO" and further "we note that the potential benefits to customers from more smart metering are large and we would expect the benefits to far exceed the implementation costs for many measures of this kind".

Scope and Deliverables

The Group is asked to consider:

1. What are the barriers to participation in the elective DM regime?
2. How could Supplier AMR offerings bring maximum benefits to customers?
3. How could Supplier AMR offerings be accommodated within a DM regime?
4. Identify potential options/models for reform
5. Assess the advantages/disadvantages of each option
6. Review the current level of obligations in the UNC and identify which of these obligations (if any) could be adopted by shippers
7. What is the correct balance between Shipper/Transporter obligations?
8. Funding arrangements

A Review Group Report will be produced containing the findings of the Review Group in respect of the work identified above.

Limits

The Review Group will consider changes required to the following:

- Uniform Network Code

The Review Group in its initial phase will not concern itself with:

- Detailed changes required to processes and procedures
- Detailed changes required to existing systems
- Development of detailed business rules

Excluded from scope in this review:

Small Supply Points

VLDMC sites where telemetered equipment is installed

Composition

The Review Group will comprise the following representation

Name	Organisation
Julian Majdanski (Chair)	Joint Office
Helen Cuin (Secretary)	Joint Office
Phil Broom (Proposer)	Gaz de France
Brian Durber	EON
Tricia Moody	xoserve
Simon Trivella	WWU
Alex Thomason	National Grid NTS
Joel Martin	SGN
Alex Travell	EON
Chris Warner	National Grid Distribution
Mitch Donnelly	BGT
Steve Mulinganie	UK Meter Exchange

A Review Group meeting will be quorate provided at least 2 Transporter and 2 User representatives are present.

Information Sources

- Uniform Network Code – Sections (to be identified).
- GT, Shipper and Supplier Licences.
- Gas Act.
- Various Industry legislation as appropriate – may include reference to:
 - Gas Safety (Installation & Use) Regulations.
 - Gas Safety (Management) Regulations.
 - Industry Codes of Practice as relevant.

Timetable

It is proposed that a total period of 6 months be allowed to conclude this review.

- Frequency of meetings – monthly. The frequency of meetings will be subject to review and potential change by the Review Group.
- Meetings will be administered by the Joint Office and conducted in accordance with the Chairman's Guidelines.