Draft Terms of Reference – V1.0
UNC Modification Reference Number 0194
"Correct Apportionment of NDM Error - Energy"

Scope and Deliverables

Sectors

Consideration will be given to each of the following different regimes referred to herein as “classifications”

Small Supply Point - Non Daily Metered
Small Supply Point - Smart Metered
Large Supply Point – Non Daily Metered
Large Supply Point – Daily Metered
Large Supply Point – Smart Metered

While accepting that within these individual “classifications” read performance itself may vary, improved read performance generally reduces shippers exposure to inappropriate energy allocations, with an equal and opposite effect of increasing RbD. This is as opposed to poor read performance which generally results in greater exposure to inappropriate energy allocations and an equal and opposite effect of reducing RbD.

Contribution - The extent to which the RbD charges should be allocated towards different sectors.

There is a desire for more precise assessment as to the size of each of the causes of RbD, and the contribution that the LSP sector makes to each of these causes.
The very nature of “measurement errors” makes quantification difficult if not in some cases impossible. The group will endeavour to develop a more analytical approach.

The group will consider the end to end measurement chain starting with LDZ off take meters and ending with end user metering, to assess the upper and lower levels of each potential measurement error. The group will then attempt to determine, based on either hard facts or in the absence of these sound judgement, the most likely contribution to RbD made by each measurement error.

Further an assessment of the upper and lower levels of contribution that each sector makes to each measurement error will be undertaken. The group will then attempt to determine, based on either hard facts or in the absence of these sound judgement, the most likely contribution to RbD made by each sector to each measurement error.

The out turn from the analysis will be tabulated herein referred to as “The Unaccounted Energy Allocation Table”

Finally, it should be possible to calculate the total contribution that each sector makes to RbD by aggregating the assessments that have been made for that sector regarding the level of contribution and scale of each error.

SSP non Smart = [?]
SSP Smart/AMR = [?]
LSP NDM = [?]
LSP DM = [?]
LSP Smart/AMR = [?]

Exclusions

To be agreed by the group.

This proposal does create by way of "The Unaccounted Energy Allocation Table" an enabling framework for future proposals that build upon this one.

Allocation process

Methodology and governance of the process, including frequency of review to be agreed by the group. System and operational costs and benefits to the market to be identified.

For the avoidance of doubt it is intended that this proposal only applies to energy charges, and that a separate proposal will be raised to deal with the allocation of transportation charges. It is also intended that RbD energy charges be allocated at the system average price. This is consistent with the application of energy charges across all sectors to date. i.e. at the same rate. This is not to be confused with the matter of transportation capacity and commodity charges for which different rates are applied across different consumption bands and system off take quantities.

Composition

The Development Work Group will comprise the following representation

Name	**Organisation**
Julian Majdanski (Chair)	Joint Office
Helen Cuin (Secretary)	Joint Office
Mitch Donnelly	BGT
Bali Dohel	SGN
Brian Durber	EON
Chris Hill	RWE npower
Chris Warner	National Grid Distribution
Dennis Aitchison	SGN
Fiona Cottam	xoserve
Linda Whitcroft	xoserve
John Edwards	WWU
Mark Jones	SSE
Nick Wye	Waters Wye
Phil Broom	Gaz de France
Richard Dutton	Total Gas & Power
Richard Street	Corona Energy
Shelley Rouse	Statoil Hydro
Simon Trivella	WWU

Stefan Leedham	EdF Energy
Steve Briggs	British Gas
James Crump	Ofgem

A Development Work 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 the development phase.

- Frequency of meetings – fortnightly. The frequency of meetings will be subject to review and potential change by the Group.
- Meetings will be administered by the Joint Office and conducted in accordance with the Modification Rules.