

CODE MODIFICATION PROPOSAL No 0227
Implementation of an Industry AMR database to facilitate the change of supply process
Version 1.0

Date: 07/10/2008

Proposed Implementation Date:

Urgency: Non Urgent

1 The Modification Proposal

a) Nature and Purpose of this Proposal

It is highly likely that in the next 5 years there will be a widespread adoption of AMR equipment and processes by the gas industry. This will be driven by the use of AMR to fulfil energy efficiency requirements of environmental schemes such as the CRC and the EU ETS. It is also likely to be driven by statute and supplier licence change when the current Energy Bill completes its passage through parliament. BERR has already indicated that it proposes to mandate AMR for all sites above 732,000 kWh from January 2014 and for all new meter installations from January 2009.

It is vital that Shippers know where AMR equipment is attached to meterpoints, who operates each AMR device and how the devices are contracted. This will allow Shippers and their Suppliers to comply with the licence condition BERR are imposing from 2014 which effectively means Suppliers must provide AMR equipment if it has not already been provided.

It is worth noting that unlike the meterpoint to meter relationship the AMR to meterpoint relationship is not based on a one to one premise. Multiple AMR units may be attached to one meterpoint. This scenario is already relatively commonplace. Shippers and Suppliers must be aware of any choice in AMR provider so they can make economic and efficient decisions about which AMR operator to use to provide meter reads.

This information must be available to the Shipper and supplier at the time of quoting the customer for the gas supply contract as it can affect the price offered. As the incumbent supplier is likely to know this information it could be a barrier to competition if this data is not provided.

The Proposal

Corona Energy propose that the UNC be modified to require the Transporters, via the Transporter Agency, to maintain records of AMR devices installed at each relevant meterpoint. This data should include who is responsible for operating each AMR device and whether the operator is contracted with, for example the supplier or the end user.

It is also proposed that there should be an obligation to provide a mechanism to update this data and to make this data available to shippers during the change of supply process.

Corona believe significant development may be required to implement such a proposal into existing systems and therefore suggest that xoserve, as the Transporter Agency, should work with the industry to develop an appropriate solution.

b) Justification for Urgency and recommendation on the procedure and timetable to be followed (if applicable)

None

c) Recommendation on whether this Proposal should proceed to the review procedures, the Development Phase, the Consultation Phase or be referred to a Workstream for discussion.

The proposer believes that this proposal should be referred to a Development Work Group in order to develop appropriate business rules and processes.

2 Extent to which implementation of this Modification Proposal would better facilitate the achievement (for the purposes of each Transporter's Licence) of the Relevant Objectives

Standard Special Condition A11.1 (a): the efficient and economic operation of the pipe-line system to which this licence relates

Implementation of this proposal would aid the rollout of AMR across the I&C market. Increased numbers and accuracy of AMR reads provided by shippers to GTs would improve their ability to allocate gas effectively.

Standard Special Condition A11.1 (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;

Improvements in the accuracy of reads provided by AMR devices would provide more accurate data to the Distribution Networks about demand on their system. Forecasts of network usage should be more accurate which would allow them to more accurately predict their future and current requirements from the NTS.

Standard Special Condition A11.1 (d): so far as is consistent with subparagraphs

(a) to (c) the securing of effective competition:

(i) between relevant shippers;

(ii) between relevant suppliers; and/or

(iii) between DN operators (who have entered into transportation arrangements with

other relevant gas transporters) and relevant shippers;

This change will ensure at change of supply all potential Shippers and suppliers will know what AMR devices are onsite and the arrangements for accessing reads. This will facilitate Shippers and Suppliers seeking to compete for the customers, and so facilitate effective competition between suppliers and between shippers.

This change should therefore facilitate an increase the numbers and accuracy of AMR reads provided by shippers to the GTs. This will improve the accuracy of the invoices for all NDM supply points. The RbD process would be improved through the use of more accurate profiles in invoicing.

By amending terms to allow the change of supply process to work with an increased use of AMR this proposal will assist the provision of a greater number of accurate reads by shippers. The Modification would therefore aid the correct apportionment of transportation and energy charges thereby facilitate competition between relevant suppliers and relevant shippers.

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

An improvement in the ability of the GTs to manage their networks would be expected due to the improved allocation, profiling and modelling of energy allowed by the provision of this meter reading data.

4 The implications for Transporters and each Transporter of implementing this Modification Proposal, including:

a) The implications for operation of the System:

An improvement in the ability of the GTs to manage their networks would be expected due to the improved allocation, profiling and modelling of energy allowed by the provision of this meter reading data.

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

Corona Energy believe the development costs to capture and maintain AMR related data could be substantial and would welcome the Transporters providing an indication of the likely magnitude and suggestions for the most economic means of implementation.

c) Whether it is appropriate to recover all or any of the costs and, if so, a proposal for the most appropriate way for these costs to be recovered:

Corona Energy would support development of an appropriate mechanism to recover costs.

- d) **The consequence (if any) on the level of contractual risk of each Transporter under the Uniform Network Code of the Individual Network Codes proposed to be modified by this Modification Proposal**

No consequences have been identified.

- 5 **The extent to which the implementation is required to enable each Transporter to facilitate compliance with a safety notice from the Health and Safety Executive pursuant to Standard Condition A11 (14) (Transporters Only)**

Not applicable.

- 6 **The development implications and other implications for the UK Link System of the Transporter, related computer systems of each Transporter and related computer systems of Users**

Changes may be required to User systems to allow the sharing of this data.

- 7 **The implications for Users of implementing the Modification Proposal, including:**

- a) **The administrative and operational implications (including impact upon manual processes and procedures)**

To be developed

- b) **The development and capital cost and operating cost implications**

To be developed

- c) **The consequence (if any) on the level of contractual risk of Users under the Uniform Network Code of the Individual Network Codes proposed to be modified by this Modification Proposal**

To be developed

- 8 **The implications of the implementation for other relevant persons (including, but without limitation, Users, Connected System Operators, Consumers, Terminal Operators, Storage Operators, Suppliers and producers and, to the extent not so otherwise addressed, any Non-Code Party)**

This proposal would help to ensure that AMR providers would have the opportunity to offer meter reads from any site where appropriate equipment is installed.

- 9 **Consequences on the legislative and regulatory obligations and contractual relationships of the Transporters**

None

10 Analysis of any advantages or disadvantages of implementation of the Modification Proposal not otherwise identified in paragraphs 2 to 9 above

Advantages

Will help to ensure effective supply competition is maintained when AMR is widespread in the I&C market.

Assuming the data will be available to all interested parties this proposal will ensure MAMs can access an accurate record of what AMR devices are at a meterpoint.

Disadvantages

Cost of implementation maybe a barrier.

11 Summary of representations received as a result of consultation by the Proposer (to the extent that the import of those representations are not reflected elsewhere in this Proposal)

12 Detail of all other representations received and considered by the Proposer

13 Any other matter the Proposer considers needs to be addressed

14 Recommendations on the time scale for the implementation of the whole or any part of this Modification Proposal

15 Comments on Suggested Text

16 Suggested Text

Code Concerned, sections and paragraphs

Uniform Network Code

Transportation Principal Document

Section(s)

Proposer's Representative

Richard Street – Corona Energy

Proposer

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