

**CODE MODIFICATION PROPOSAL No 0242**  
**Changes to the window for the submission of Valid Meter Readings**  
**Version 2.0**

**Date:** 11/03/2009

**Proposed Implementation Date:** TBC

**Urgency:** Non Urgent

**1 The Modification Proposal**

**a) Nature and Purpose of this Proposal**

**Introduction**

The rules for the submission of Valid Meter Readings by Suppliers to the Transporter are set out in Section M 3.3 of the Uniform Network code.

Section M 3.3.1 requires users to submit not less than 50% of Valid Meter Readings by the 10<sup>th</sup> Business Day after the Meter Read Date and not less than 100% by the 15<sup>th</sup> Business day.

The Transporter is not required to accept any Valid Meter Readings obtained by the Supplier but submitted outside of these timescales except where;

*“it is feasible for the Transporter to accept such Meter Reading and in the Transporter's reasonable opinion the circumstances make it appropriate that it should do so;”*

During November 2005, a number of modification proposals were implemented to protect UK Link system integrity and capacity from the potential submission of volumes of Meter Readings greater than the 400,000 readings per day.

At that time a validation routine was applied to the system to identify the variance in Business Days between the Meter Reading date and file submission date.

Prior to November 2005, there were no such validation routines in place, relating to Meter Reading dates and submission dates, and UK Link accepted all Meter Readings provided by Shippers subject to normal Meter Reading validation rules.

On the 10 March 2006, Xoserve issued a communication to Shippers, numbered and entitled NR/610/DA – Temporary Change to Cyclic Meter Reading Validation Routine.

Within this communication Xoserve advised that a number of Shippers had highlighted to them that they had volumes of Meter Readings which fell outside of the 10- Business Day parameter and had requested that validation

be relaxed to enable readings to be submitted.

Following the reinstatement of these validation rules, Shippers continued to find that, operationally, the 10 Business Day parameter was not sufficient to enable the provision of all validated Meter Readings to Xoserve and so British Gas raised modification proposal 0124 to amend the parameters to allow Shippers to ensure that as many Meter Readings as possible are able to be validated and provided to Xoserve.

In March 2007 Ofgem directed implementation of Modification 0124 and the window for Valid Meter Reading submission was amended from 10 Business Days to the current 15 Business Days.

In its original proposal, British Gas proposed that the window be extended to 20 Business Days, as this was believed to be the optimal level between ensuring the maximum number of Meter Readings could be Validated and received by Xoserve, balanced against the need to protect UK Link system integrity at that time.

Following conversations with Xoserve and the Transporters British Gas amended proposal 0124 to set the Meter Reading window at 15 Business Days. This change was made following concerns around UK Link performance and stability.

Since that time several significant changes have taken place to the UK Link system, such as the move to a new server system with increased performance and stability and change to a new operating system.

It is our understanding that the concerns around the stability of UK Link expressed by Xoserve in 2006 are no longer valid and so barriers to extending the Meter Reading window to ensure the maximum number of Readings are processed have been removed.

### **Our proposal**

The intention of this modification proposal is to allow a greater number of actual Meter Readings to be accepted by Xoserve, acting as the Transporters' agent, than is currently provided for under the Uniform Network Code (UNC).

The processing of Meter Readings and their Validation is a complex Supplier process and Users can, at times, struggle to ensure that all actual Meter Readings are submitted within the timeframe currently set out in the UNC.

Numerous Validation processes are undertaken by Suppliers, to ensure that Meter Readings received are indeed valid, this process subsequently produces exceptions or queries which need to be communicated back to, and addressed by, the meter reading agent for reprocessing.

We therefore propose that Section M 3.3.4(b) is amended to require Users to submit 100% of Meter Reads by the 25<sup>th</sup> Business Day after the Meter Reading date.

This will allow a much higher proportion of Valid Meter Readings 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 Readings to be accepted for purposes of setting Annual Quantities (AQ) which itself will improve the accuracy of deeming volumes of energy at supply points.

We do not propose any changes to the timescale within which the first 50% of reads are to be submitted and this will remain at 10 Business Days (paragraph M3.3.4(a)).

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

Not applicable

**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.**

This proposal has been discussed at Distribution Workstream and amended to reflect comments received. We believe that this proposal is now fully developed and should therefore proceed directly to Consultation.

**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**

**A11.1 (d) – the securing of effective competition (i) between relevant Shippers and (ii) between relevant suppliers.**

Implementation of this proposal would provide for a greater number of Valid Meter Readings to be accepted by the Transporters. In turn this would:

- improve the accuracy of the allocation of energy through the reconciliation process;
- provide for a greater number of Meter Readings to be accepted for the purposes of setting Annual Quantities (AQ);
- improve the accuracy of deeming volumes of energy at supply points.

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.

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

None identified

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

**a) The implications for operation of the System:**

None identified

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

None identified

**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:**

Not applicable

**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**

Where a User is able to supply further Meter Readings in line with its cyclic Meter Reading obligations this reduces the likelihood of the Transporter being required to procure a 'must read' pursuant to TPD Section M3.6.

**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)**

None identified

**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**

Prior to the 16<sup>th</sup> June 2006 the Meter Reading window period was set at 99 days and was only reduced because of concerns over the stability of the UK Link system prior to the UK Link Technology Refresh and server replacement.

Both the UKLTR and the server upgrade took place during 2007/8 and no further concerns over the systems stability have been raised.

Implementation of this proposal would result in an increase in the number of Meter Readings submitted by Shippers, currently Meter Readings submitted outside of the 15 Business Day window are submitted as part of automated processing but are rejected by Xoserve's systems.

Therefore any additional processing of Valid Meter Readings would also lead to a reduction in processing of Meter Reading Rejections by both Xoserve and Shippers as well as a reduction of manually processed Meter Readings through the AQ Review process.

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

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

Where Meter Readings have been rejected by Xoserve's system because they fall outside the current 15 Business Day window, UNC rules allow for these Meter Readings to be resubmitted by Shippers as part of the AQ Review process.

Implementation of this proposal would result in a decrease in the manual processing of Meter Readings as part of the AQ Review process.

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

None identified

**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**

None identified

**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)**

None identified

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

None identified

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

**Advantages**

- Increasing the window during which Users are able to submit Valid Meter Reading to Xoserve will assist in ensuring the correct allocation of energy and transportation charges.
- Extending the current window for submission of Meter Readings will provide Shippers with a longer period to validate Meter Readings that have been rejected by Xoserve. This will provide Shippers adequate time to run their internal checks on the reads, and if necessary carry out a visual inspection of the meter prior to resubmission.

### **Disadvantages**

None identified

**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)**

None

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

None received

**13 Any other matter the Proposer considers needs to be addressed**

None identified

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

We believe 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 Readings. 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 reasonably short.

**15 Comments on Suggested Text**

To be verified by Transporters

**16 Suggested Text**

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 25th Business Day after the Meter Read Date.

**Code Concerned, sections and paragraphs**

Uniform Network Code

Transportation Principal Document

**Section(s)** M

**Proposer's Representative**

Mitch Donnelly

**Proposer**

Mitch Donnelly