

Stage 03: Draft Modification Report

0431:

Shipper/Transporter - Meter Point Portfolio Reconciliation

At what stage is this document in the process?



This modification seeks to improve the completeness of the data held by Transporters on behalf of industry parties by carrying out a MPRN portfolio reconciliation between Shipper records and Sites & Meters.



Responses invited by 12 December 2013.



High Impact: Shippers



Medium Impact: -



Low Impact: -

0431

Draft Modification Report

21 November 2013

Version 1.0

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About this document:

This Draft Modification Report is issued for consultation responses, at the request of the Panel on 21 November 2013. All parties are invited to consider whether they wish to submit views regarding this modification.

The close-out date for responses is 12 December 2013, which should be sent to enquiries@gasgovernance.co.uk. A response template, which you may wish to use, is at www.gasgovernance.co.uk/0431.

The Panel will consider the responses and agree whether or not this modification should be made.



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1 Summary

Is this a Self-Governance Modification?

The Modification Panel determined that this is not a self-governance modification.

Why Change?

Some sites may be billed by Suppliers but not be registered to a Shipper on the Sites and Meters database, hence creating unidentified gas and not delivering the correct allocation of costs despite supply arrangements being in place.

Solution

It is proposed that Shippers will obtain from Supply businesses a dataset of sites that are actively being supplied. MPRNs will be provided to Xoserve. Xoserve will match the dataset against the MPRN data they hold and identify any MPRNs for which a supply arrangement is in place but the MPRN is not registered to a Shipper, does not appear on the Supply Point Register, is dead or extinct or appears on one or more Supply Point Portfolios. If Shippers fail to register these MPRNs through the standard process, they will be able to be automatically registered.

Relevant Objectives

Implementation would be expected to increase the accuracy of data held by Xoserve and reduce the number of unregistered sites.

Consequently there may be less unidentified gas and costs would be more appropriately allocated, thereby helping to secure effective competition

Implementation

The Workgroup considered that implementation could be achieved in the following timescales:

01 May 2014 if an Authority decision is made by 01 April 2014;

01 October 2014 if an Authority decision is made by 01 June 2014;

with a backstop lead time of 60 calendar days should the Authority makes its decision on or after 01 June 2014.

2 Why Change?

The accuracy of centrally held data impacts the reliability of settlement and cost allocations. A number of initiatives have been launched to improve data accuracy, and there has been particular focus on the number of live meter points that have not been registered by a Shipper – shipperless and unregistered sites. It is possible that some shipperless and unregistered sites are being billed by Suppliers. Xoserve, the Transporters' Agent, has no access to this Supplier information. Reconciling Xoserve and Supplier held data could validate and improve industry data.

3 Solution

It is proposed to introduce an obligation on Shippers to endeavour to provide MPRN information from supply business systems to allow the Transporters' agent to carry out a reconciliation (on behalf of the Transporters) against the information that it holds. For clarity, it is proposed that the Transporters' agent will only identify actively supplied sites provided by Shippers that are not present or registered to a Shipper on Xoserve's systems i.e. unregistered or shipperless or are dead/extinct or appearing on one or more supply portfolios. They will not be required to also identify sites registered to a Shipper but not present in the data provided (this is an exercise which Suppliers/Shippers can carry out themselves without access to central systems).

It is proposed that Shippers be obliged to provide, for each Supply business that they ship for, each MPRN and the associated Meter Serial Number, Full Postcode and the Shipper and Supplier short codes.

The Transporters' agent will complete a reconciliation exercise and reports will be provided to Shippers detailing the MPRNs that they have provided under the terms of this modification but which are not registered against that Shipper. The Shipper concerned shall be expected to register each MPRN on the provided report within 40 business days from the report issue date or, if the Shipper does not consider this action to be appropriate, provide a reason for non-registration to the Transporters' agent within 40 business days from the report issue date. If Shippers request additional time, it is proposed that the Transporters agent be able to grant up to an additional 50 business days. If the Shipper does not either register the MPRN or provide a reason for non-registration within the allowed timescale, the Transporters agent will register the MPRN on behalf of the Shipper.

The data that maybe from Shippers excludes meters connected to an iGT network – i.e. MPRNs beginning with 74xxxx and 75xxxx.

Detailed business rules:

1. Shippers will be obligated to take a data extract from a Non Business Day, for the avoidance of doubt this report will only be taken once in any gas year and will typically take place in November, however if the implementation is delayed the first report will be taken in February. The request for a report will be given with 20 business days notice as and when the transporters deem a reconciliation exercise is necessary. Reports will be scheduled from all Shippers at the same time and will require the extract date to be the date given by the Transporter's agent.
2. The data extract will be sourced from suppliers customer database supply portfolio of the associated Supplier for each Shipper. The data extract will include all MPRNs which are actively being supplied in the database where an end user supply contract is in place. Shippers will use all reasonable endeavours to provide the data extract to the transporters agent within 15

business days of the agreed extract date and will specify a reason should this not be possible.

The data extract which is provided to the Transporter's agent will detail the following:

- MPRN
- Meter serial number
- Post Code
- Shipper & Supplier Short Codes

The data extract which is provided will be extracted from the Suppliers customer database of sites that are actively being supplied. If sites have been aggregated then the data will show the relevant MPRNs with the relevant meter serial numbers.

3. Shippers shall use reasonable endeavours to secure the supply portfolio of a Supplier with which it has a shipping arrangement. Where a Shipper is not the same legal entity as the supplier or within the same group of companies and is unable to secure the supply portfolio the Shipper shall report the fact, together with the reason why the Supplier is unable to fulfil the request. This response to the Transporters agent shall be given within 15 business days of the agreed extract date.
4. In the event that the Shipper has been unsuccessful in securing the supply portfolio of a Supplier to whom it is contractually associated with then the Shipper will provide the Supplier's contact details to enable the Transporters agent to make a direct request to the Supplier for this information.
5. The Transporters agent will complete a portfolio comparison exercise using the business rule 2 data provided by the Shipper and the MPRN data held on the Supply Point Register
6. Where the Transporters agent identifies an MPRN detailed on the Shipper's report which is unregistered, Shipperless, has a status of dead or extinct on the Supply Point Register database or is not present at all on the Supply Point Register database or where present on more than one Supply Portfolio the identity of each supplier, then they will provide a report to each relevant Shipper specifying these MPRN's. If an MPRN is identified on the Shippers report which does not appear on the supply point register or is dead / extinct then they will be expected to follow the current procedures for creating & registering a new MPRN.
7. The Transporters agent will provide the Business Rule 6 report to each Shipper as soon as is reasonably practicable.
8. The relevant Shipper will commence the creation / registration of any MPRNs on the Business Rule 6 report within 40 business days from receipt of the business rule 6 report, creation / registration will be prospective. Alternatively where the Shipper considers it would not be appropriate to create / register an MPRN, it will provide a reason to the Transporters agent for not completing this exercise.
9. If the Shipper is unable to commence the creation / registration of the MPRN within the provision of Business Rule 8 due to further investigations being required then they will provide a reason for requiring additional time to the Transporters agent who will then grant up to an extra 50 business days (40+50 = 90 business days in total) to commence the creation / registration of the MPRN. If within the original 40 day period or within the additional 50 day period, the Shipper fails to provide a reason for not having commenced the creation / registration of the MPRN and the Supply Point remains absent / un-registered on the Supply Point Register, the Transporters agent may create / register the MPRN on the Shipper's behalf.
10. This rule will apply if there is a need to automatically create and / or register the MPRN. Should any additional information be required to register the MPRN by the Transporters agent then an additional request for data items will be submitted to the relevant Shipper. The Shipper will provide any additional information within 15 business days from the Transporters agent.
11. If the information requested under BR10 is not provided within the set timescales then the Transporter will have the right to assume default values in order to complete the registration.

12. Once the portfolio reconciliation exercise has been completed by the Transporter's agent an anonymised report will be generated indicating the following by Shipper organisation:

The number of MPRNs provided by the Shipper to the Transporters agent which on the extract date were:

- (i). unregistered.
- (ii). shipperless.
- (iii). Not present at all on Site and Meters.
- (iv). An MPRN appearing on two or more Supplier portfolios.
- (v). At a Status of either dead or extinct.

The Shipper organisation names will be anonymised on this report.

A non-anonymised report will be provided to Ofgem.

Time Line of Events

Business Days	20	Extract Date	15		40	50	15
Process	Notification	Extract	Report Provision / Non Delivery	User Data Reconciliation and Provision of Report	Shipper Registration / Reason for non Registration	Transporter Grants Additional Time	Provision of Additional Data Items

User Pays

Classification of the modification as User Pays or not and justification for classification

This is not a User Pays Modification as it neither introduces or amends a User Pays Service.

Identification of Users, proposed split of the recovery between Gas Transporters and Users for User Pays costs and justification

n/a

Proposed charge(s) for application of Users Pays charges to Shippers

n/a

Proposed charge for inclusion in ACS – to be completed upon receipt of cost estimate from Xoserve

n/a

4 Relevant Objectives

Impact of the modification on the Relevant Objectives:	
Relevant Objective	Identified impact
a) Efficient and economic operation of the pipe-line system.	None
b) 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.	None
c) Efficient discharge of the licensee's obligations.	Impacted
d) 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.	Positive
e) Provision of reasonable economic incentives for relevant suppliers to secure that the domestic customer supply security standards... are satisfied as respects the availability of gas to their domestic customers.	None
f) Promotion of efficiency in the implementation and administration of the Code.	None
g) Compliance with the Regulation and any relevant legally binding decisions of the European Commission and/or the Agency for the Co-operation of Energy Regulators.	None

Objective c) Efficient discharge of the licensee's obligations

One Workgroup participant noted that reconciliation activity should provide evidence of the supply points, which are unregistered and also verify those, which are not being billed by any supplier. This will demonstrate to the Transporter that there may be gas being conveyed by the Transporter to a person who *has or may have* illegally offtaken it. Without the reconciliation activity, the Transporter only knows that the supply point is not registered to a User and is "unregistered", therefore the reconciliation activity furthers the efficient discharge of the licensee's obligation under SLC 7 to investigate theft of gas and use their reasonable endeavours to recover the value of the gas.

Similarly where the reconciliation activity demonstrates a supplier is billing the customer but there is an absence of a shipper registration, it provides reassurance to the Transporter that there is no illegal offtaking of gas, but it is more likely a failed registration attempt and as there are provisions to require the forced registration of any supply point to the appropriate User, it resolves the issue of unallocated gas and the correct allocation of gas costs, It could therefore facilitate Standard Licence Condition 31 2(a), (b) and (c).

Objective d) Securing of effective competition

Implementation would be expected to reduce the number of unregistered sites and increase the accuracy of data held by Xoserve. Consequently there may be less unidentified gas and costs would be more appropriately allocated, leading to more stability and clarity in costs and charging, thereby furthering effective competition.

5 Implementation

The Workgroup considered implementation could be achieved in the following timescales:

01 May 2014 if an Authority decision is made by 01 April 2014;
01 October 2014 if an Authority decision is made by 01 June 2014;
with a backstop lead time of 60 calendar days should the Authority makes its decision on or after 01 June 2014.

It is expected that reports will be requested during November in subsequent years.

6 Legal Text

Text

The following Text has been prepared by Scotia Gas Networks at the request of the Modification Panel.

Instruction

Please insert as Paragraphs 2.12, 2.13 and 2.14 in Section G of the Transportation Principal Document under Paragraph 2.11.4.

2.12 Supply Portfolio

- 2.12.1 The Transporters shall be entitled to request from each User a copy of the supply portfolio of each Supplier with whom the User is contracted as at the date identified in 2.12.2 (“**Supply Portfolio**”).
- 2.12.2 Subject to paragraph 2.12.3 and 2.14.1, Supply Portfolios will be extracted as of the first non Business Day of November in each Gas Year (“**Portfolio Date**”).
- 2.12.3 For the Gas Year commencing 1 October 2013 only, the Portfolio Date shall be the first non Business Day of May 2014.
- 2.12.4 The Transporters shall give the User 20 Business Days notice prior to the Portfolio Date relating to which the User must provide its Supply Portfolio.
- 2.12.5 The User must comply with the Transporters’ request under paragraph 2.12.1 and provide the Supply Portfolio to the Transporters within 15 business days of the Portfolio Date unless unable to do so under paragraph 2.14.2.
- 2.12.6 The Supply Portfolios shall include all actively supplied Supply Meter Point Reference Numbers that are currently live in each Supplier’s database where a Supply Contract is in place and shall detail the following data:
- (a) Supply Meter Point Reference Number(s);
 - (b) meter serial number(s) of the Supply Meter(s);

- (c) premise post code(s); and
- (d) Shipper short code(s) and supplier short code(s)

2.12.7 On receiving the Users Supply Portfolio, the Transporters will compare the Supply Portfolio against the data held on the Supply Point Register and all other Supply Portfolios provided by other Users.

2.13 User Data Reconciliation

2.13.1 Upon completion of the comparison under paragraph 2.12.7, the Transporters shall provide a report (“**Reconciliation Report**”) per Supply Portfolio to the relevant User as soon as reasonably practicable.

2.13.2 A Supply Meter Point Reference Number is “**Unregistered**” if it has not previously held a Supply Point Registration by any User on the Supply Point Register and at the time of the creation of the Reconciliation Report is not subject to a Supply Point Confirmation.

2.13.3 A Supply Meter Point Reference Number is “**Shipperless**” if it has previously held a Supply Point Registration by any User on the Supply Point Register and at the time of the creation of the Reconciliation Report is not subject to a Supply Point Confirmation.

2.13.4 The Reconciliation Report will specify to each relevant User the Supply Meter Point Reference Number(s) detailed on the User’s supplier’s Supply Portfolio(s) which are at that time:

- (a) Unregistered in accordance with 2.13.2 ;
- (b) Shipperless in accordance with 2.13.3 ;
- (c) not present on the Supply Point Register;
- (d) present on any other User’s Supply Portfolio
- (e) at a Status of either dead or extinct on the Supply Point Register.

2.13.5 Subject to paragraph 2.13.6, the User shall commence the registration of any Supply Meter Point Reference Number identified in the Reconciliation Report as being Shipperless or Unregistered within 40 Business Days of receiving the Reconciliation Report (“**Registration Period**”).

2.13.6 Where the User considers it would not be appropriate to create and/or register a Supply Meter Point Reference Number it will provide a reason to the Transporters for not commencing Registration within the Registration Period.

2.13.7 For the avoidance of doubt in relation to paragraph 2.13.4(c) and subject to paragraph 2.13.6, Users will be required to rectify these issues by creating a Meter Point Reference Number and completing the Supply Point Confirmation of the same.

2.13.8 Unless otherwise agreed by the Transporters and User under paragraphs 2.13.6 or 2.13.9 where the User fails to create a Supply Meter Point Reference Number within the Registration Period the Transporters may create a Supply Meter Point Reference Number to allow Supply Point Confirmation under 2.13.11.

2.13.9 Where the User is unable to commence the registration of the Supply Meter Point Reference Number within the provision of paragraph 2.13.7 due to further investigations being required then the User shall provide a justification for requiring additional time to the Transporters who shall, at their sole discretion, be entitled to grant the User an additional period of up to 50 Business Days beyond the Registration Period in which to commence the registration of the Supply Meter Point Reference Number (“**Extension Period**”).

2.13.10 Where the Transporters and the User agree that the User is unable to complete the investigation as per paragraph 2.13.9 the User shall be obligated

to provide any information it has obtained in respect of the Supply Point to the Transporters.

- 2.13.11 If within the Registration Period or the Extension Period the User does not obtain a Supply Point Confirmation, or has failed to provide a reason as per paragraph 2.13.6, the User shall be deemed to have granted the Transporters authority to register such Supply Meter Point using the information on the Supply Point Register.
- 2.13.12 Where the Transporters require additional information to create and/or register the Supply Meter Point Reference Number under paragraph 2.13.11 then an additional request for data items will be submitted to the User. The User shall provide any requested additional information within 15 Business Days from the Transporters' request ("**Information Period**").
- 2.13.13 Where the User fails to provide to the Transporters the additional information under paragraph 2.13.12 the Transporters shall be entitled to use default values for the purposes of registering the Supply Meter Point Reference Number.
- 2.13.14 Following the provision of the Reconciliation Reports the Transporters will publish a report detailing for each User (on a non-attributable basis) and the Authority (on an attributable basis) the following:
- (a) The number of Supply Meter Point Reference Numbers which are Unregistered;
 - (b) The number of Supply Meter Point Reference Numbers which are Shipperless;
 - (c) The number of Supply Meter Point Reference Numbers not present on the Supply Point Register;
 - (d) The number of Supply Meter Point Reference Numbers with a status of either dead or extinct.
- 2.13.15 For the avoidance of doubt the number of Supply Meter Point Reference Numbers that are also on any other Supply Portfolio will not be included in the report published in section 2.13.14.

2.14 Supplier Data

- 2.14.1 Where a User is a separate legal entity to the relevant Supplier or is not the holding company or subsidiary company of the relevant Supplier or any company which is a subsidiary of such a holding company and is unable to obtain the Supply Portfolio then, the User shall confirm this to the Transporter along with justification as to why the relevant Supplier is unable to fulfil the request. Users shall provide this information to the Transporters within 15 Business Days from the Portfolio Date.
- 2.14.2 In the event that the User has been unsuccessful in obtaining the Supply Portfolio under paragraph 2.14.1 then the User will provide the relevant Supplier's contact details to the Transporters who shall be entitled to make a direct request to the relevant Supplier for this information.

7 Recommendation

The Panel have recommended that this report is issued to consultation and all parties should consider whether they wish to submit views regarding this modification.