

Stage 04: Final Modification Report


0437S:

Retention of MAM Id in Transporter Systems at Change of Shipper


At what stage is this document in the process?


- 01 Modification
- 02 Workgroup Report
- 03 Draft Modification Report
- 04 Final Modification Report


At Change of Shipper, Transporters delete the previous Meter Asset Manager (MAM) information, requiring the incoming Supplier through their Shipper to provide updated Meter Asset Manager information. This UNC Modification seeks agree the methodology for applying User Pays charges to enable a change to Transporter systems (i.e. Class 3 UK Link Modification), to retain the MAM Id at a Change of Shipper event.

 Panel determined that this self-governance modification be implemented.



 High Impact: -

 Medium Impact: -

 Low Impact: Transporters

0437S

Modification Report

18 April 2013

Version 1.0

Page 1 of 12

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Contents

1	Summary
2	Why Change?
3	Solution
4	Relevant Objectives
5	Implementation
6	Legal Text
7	Consultation Responses
8	Panel Discussions
9	Recommendation

About this document:

This Final Modification Report will be presented to the Panel on 18 April 2013.

The Panel will consider the views presented and decide whether or not this self-governance change should be made.



Any questions?

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0437S

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18 April 2013

Version 1.0

Page 2 of 12

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1 Summary

Is this a Self-Governance Modification?

The Modification Panel determined that this is a self-governance modification.

Why Change?

At Change of Shipper, Transporters delete the previous Meter Asset Manager (MAM) information, requiring the incoming Supplier through their Shipper to provide updated Meter Asset Manager information. A change has been agreed by the SPAA Expert Group to modify Transporter systems to stop the deletion of the MAM ID. However, User Pays charges apply where a change is required to Transporter systems (i.e. Class 3 UK Link Modification) and this UNC modification has been raised to identify how these User Pays charges are allocated.

Solution

This Modification is required by UNC section U 8.5.2, which states that any Class 3 Modification (i.e. change to Transporter systems paid for by Users) a Modification Proposal must be made in accordance with the Modification Rules.

This modification identifies how the User pays Charges will be apportioned.

Relevant Objectives

This modification will facilitate a change, which will aid a licensee in meeting their licence obligations to populate a MAM ID and minimise exceptions. In addition, it facilitates the allocation of User Pays charges required by a Class 3 UK Link Modification and therefore furthers (c), Efficient Discharge of Supplier Licence.

This is considered to have a positive effect on securing effective competition. By amending Transporter systems to stop deletion of the data this will reduce the impact to incoming Suppliers where previous Suppliers / Shippers have failed to fulfil their obligations to provide MAM information. Suppliers through Shippers will retain the responsibility to provide MAM identity.

Xoserve has provided the SPAA Expert group with a requirement definition and a rough order of magnitude (ROM) to assist the group in its discussion and will present this information at the relevant work group.

Implementation

As this is a self-governance modification, implementation could be 16 business days after a Modification Panel decision to implement.

No implementation timescales are proposed. However, it is expected that implementation timescales will be circa 26 weeks from an approved modification decision.

2 Why Change?

Currently at a Change of Shipper for given meter point, the Transporters notify the incoming Shipper of the MAM Id. Transporters then delete this data, and the new Shipper should provide details of the relevant MAM, once appointed. Where a Shipper fails to do so, the Transporter is unable to provide any MAM information to subsequent Shippers at the next supply point transfer.

This presents a risk to subsequent Suppliers by not knowing the incumbent MAM when they take over a site this hinders the ability to contact and subsequently contract with that MAM for provision of Metering Services.

Currently Transporters provide anonymised count of meter points by Shipper to SPAA, which through it's SPAA Expert Group monitors the population of blank MAM Identities. A number of exercises have been conducted by some Shippers to populate blank MAM information. Despite these exercises, a significant population of blank MAM Ids exist (circa 300-350k) where the current Shipper has failed to notify the Transporters of the MAM Identity.

Shippers will retain the responsibility to update the MAM Identity – even where this is not changed from existing data held in Transporter systems. The existing Supplier licence and SPAA obligations to provide this information are not changed by the modification.

A change has been agreed by the SPAA Expert Group to modify Transporter systems to stop the deletion of the MAM ID. However, User Pays charges apply where a change is required to Transporter systems (i.e. Class 3 UK Link Modification) and this UNC modification has been raised to identify how these User Pays charges are allocated.

It is further proposed through this modification that the SPAA Expert Group shall monitor the population of meter points where the MAM Identity is populated, but that the current Shipper has failed to notify the Transporter of the MAM Identity.

In addition to that identified the above, the Proposer has identified the following advantages:

The solution does not require Shipper and Supplier system changes.

Any information maintained by Transporters will be retained so that Shippers and Suppliers are provided with last known MAM data provided by Shippers to Transporters.

The solution seeks to reduce instances where blank MAM Ids are provided, therefore reduce Supplier exceptions. The solution also seeks to provide Suppliers relevant MAM information which allows them to initiate relevant investigation.

The proposed solution assists MAPs in identifying the relevant MAM in order to recover meter rental charges.

The SPAA Expert Group previously recognised that the as part of the proposed solution the retention of data may affect the confidence of the data held by Transporters in respect of the MAMs. i.e. data held currently by Transporters has been provided by the existing Shipper. This is now addressed by additional reporting to SPAA to identify a summary of such meter points by Shipper Short Code.

An additional User Pays report shall be developed to enable Users to identify detailed meter point information in order to address any occurrences within their portfolio.

3 Solution

Impact to Uniform Network Code

This change is proposed as a Class 3 UK Link Modification, as defined in Section U 8.4.2 (a) of UNC i.e.: Transporter System Modification where the Transporters do not intend to make such modification unless the costs of making the modification are to be recovered from UK Link Users.

Changes to the Uniform Network Code are not anticipated.

This Modification is required by UNC section U 8.5.2 which states that:

Before a Class 3 Modification may be made by the Transporters, a Modification

Proposal in respect thereof must be made in accordance with the Modification Rules and the Transporters or any User shall be entitled to make such a Modification Proposal.

An additional service line is expected in the User Pays Agency Charging Statement to enable Users to request the population of meter points where the MAM Identity is populated, but that the current Shipper has failed to notify the Transporter of the MAM Identity.

This modification proposes to allocate User Pays charges for the above amendments to UK Link Systems as follows:

User Pays
Classification of the modification as User Pays, or not, and the justification for such classification
This is a User Pays Modification.
Identification of Users, proposed split of the recovery between Gas Transporters and Users for User Pays costs and justification
100% Users.
Proposed charge(s) for application of Users Pays charges to Shippers
Proposed share of costs by meter point portfolio share excluding DM and Unique Sites as at Modification implementation date.
Proposed charge for inclusion in ACS – to be completed upon receipt of cost estimate from Xoserve
A Rough Order of Magnitude has been provided by Xoserve – indicating a cost in the order of £68k–£96k.

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.	Positive
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.	None
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

This modification will facilitate a change, which will aid a licensee in meeting their licence obligations to populate a MAM ID and minimise exceptions. In addition, it facilitates the allocation of User Pays charges required by a Class 3 UK Link Modification and therefore furthers (c), Efficient Discharge of Supplier Licence.

In its response, Wales & West Utilities (WWU) raised the following concerns around the proposers view that this modification supports relevant objective (c), Efficient Discharge of Supplier Licence.

Whilst WWU understand the potential loss to MAMs who lose track of their assets if suppliers to not update the MAM ID on change of supplier, and the difficulties experienced when a supplier applies to register a new supplier to a supply point and the MAM ID is not populated, they do not consider that this modification will address the problem in the long term. Currently if the MAM ID is missing then the new supplier knows it has to look for the correct MAM, if the MAM ID is listed then it can be reasonably confident that it is correct. If this modification is implemented it seems likely that some suppliers may not update it on the basis that the existing meter is likely to be an National Grid Metering (NGM) meter and therefore keeping the existing MAM ID is correct; however as NGM lose market share this approach will lead to errors. In time this will mean that the MAM ID is likely to be inaccurate and will lead to more costs as new suppliers have to establish the identity of the current MAM.

5 Implementation

As self-governance procedures are proposed, implementation could be 16 business days after a Modification Panel decision to implement. However, it should be noted that estimated implementation timescales will be 26 weeks from the point that this change is scheduled by Transporters within their Change Programme.

Expected Transporter implementation costs are detailed in Section 3 above. The modification explicitly proposes that Supplier / Shipper processes are unchanged – i.e. Suppliers retain the obligation to provide the MAM Identity.

This modification requires changes to Transporter systems, but no changes are expected to the UK Link Manual.

No explicit implementation date is proposed for this modification.

6 Legal Text

No amendment to UNC text is required.

7 Consultation Responses

Representations were received from the following parties:

Company/Organisation Name	Support Implementation or not?
British Gas	Support
Gazprom	Support
RWE npower	Support
SSE	Support
Wales & West Utilities	Not in Support

Of the five representations received four supported implementation, and one was not in support.

Summary Comments

British Gas notes the effect this change will stop the deletion of a piece of information, during the change of Shipper process, which could be of value to the incoming Shipper to identify the current MAM. Furthermore should there be a further change of Shipper and the MAM ID not be populated, because it was deleted by the industry process there is now no efficient way for the incoming Shipper to identify the correct MAM.

Gazprom considers that implementation of the modification will serve to protect the incoming Shipper from the risk of the previous Shippers failure to update the MAM ID.

RWE npower considers this modification will also improve the process for the MAPS who will also be able to recover their costs correctly.

Wales & West Utilities (WWU) consider that the way to achieve the Efficient Discharge of Supplier Licence obligations and assist the change of supplier process is for supplier obligations in SPAA to be properly enforced by the competent body. While this may be more painful in the short term they feel that it will have better long-term outcomes than will be achieved by this modification. Additionally WWU suggest that there could be other approaches to addressing the problems identified that may better fulfil the relevant objectives and that this modification should not be implemented until these have been considered. If they have been considered and rejected then this should be stated.

WWU consider that one option may be to modify Xoserve systems to record the history of the MAM ID. This would have the benefit of providing the previous MAM ID as desired by the proposer but also indicating, by the absence of a MAM ID against the current shipper, that that the current shipper did not update the MAM on change of shipper.

WWU understand that part of the justification for the change is that the process proposed is used in electricity; however this justification is included in the neither the proposal nor the final modification report so it is difficult to judge whether this is a valid comparison.

Additional Issues Identified in Responses

Wales & West Utilities (WWU) considers that the Modification Proposal does not justify the change relying on work done by other bodies and the Modification Report repeated this failing meaning that it was not possible for a new reader to understand in sufficient detail what was being proposed or the arguments in favour of the proposal.

Furthermore, WWU feels that to analyse the likely effect of this modification they need to consider four scenarios and their likely impacts.

The first two consider change of supplier with no change of meter and the second two change of meter:

- 1) Existing meter is NGM meter and is not changed on change of supplier
- 2) Existing meter is not NGM meter and is not changed on change of supplier
- 3) Existing meter is changed but no change of supplier
- 4) Existing meter is change on change of supplier

8 Panel Discussion

The Panel Chair summarised that, at Change of Shipper, Transporters delete the previous Meter Asset Manager (MAM) information, with the incoming Shipper being expected to provide updated Meter Asset Manager information. It is proposed that the system be changed such that this deletion no longer takes place. No UNC change is required to implement the modification.

UNC TPD Section U defines “any Transporter System Modification where the Transporters do not intend to make such modification unless the costs of making the modification are to be recovered from UK Link Users” as a Class 3 UK Link Modification. This modification falls within this definition. Section U also provides that “Before a Class 3 Modification may be made by the Transporters, a Modification Proposal in respect thereof must be made in accordance with the Modification Rules”, and this modification has been raised to meet that requirement.

Members felt that, by facilitating the implementation of a UK Link change that Users are willing to pay for, implementation of this modification would be consistent with the relevant objective promotion of efficiency in the implementation and administration of the Code since it would be inefficient to prevent the change.

Panel members then voted and unanimously determined to implement Self-Governance Modification 0437S.

9 Recommendation

Panel Recommendation

Having considered the Modification Report, the Panel determined that proposed Self-Governance Modification 0437S should be made.