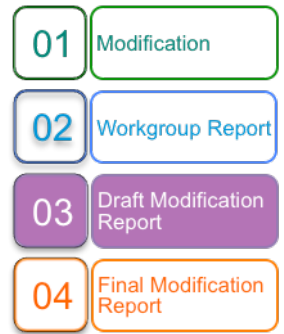


0576:

Generation of an estimated Meter Reading at the Code Cut Off Date in the absence of an actual Meter Reading



This Modification would provide Transporters with an ability to create an estimated Meter Reading with an effective date of the Code Cut Off Date where no Meter Reading has been received within the previous seven years.



Responses invited by **07 July 2016**.










High Impact:
None



Medium Impact:
Shipper Users and Transporters



Low Impact:
None

Contents		 Any questions?														
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About this document:		 commercial.enquiries@xoserve.com														
<p>This Draft Modification Report is issued for consultation responses, at the request of the Panel on 16 June 2016. All parties are invited to consider whether they wish to submit views regarding this modification.</p> <p>The close-out date for responses is 07 July 2016, which should be sent to enquiries@gasgovernance.co.uk. A response template, which you may wish to use, is at www.gasgovernance.co.uk/0576.</p> <p>The Panel will consider the responses and agree whether or not this modification should be made.</p>		Systems Provider: Xoserve														
<p>The Workgroup recommends the following timetable:</p> <table border="1"> <tr> <td>Initial consideration by Workgroup</td> <td>12 April 2016</td> </tr> <tr> <td>Amended Modification considered by Workgroup</td> <td>06 June 2016</td> </tr> <tr> <td>Workgroup Report presented to Panel</td> <td>16 June 2016</td> </tr> <tr> <td>Draft Modification Report issued for consultation</td> <td>16 June 2016</td> </tr> <tr> <td>Consultation Close-out for representations</td> <td>07 July 2016</td> </tr> <tr> <td>Final Modification Report published for Panel</td> <td>11 July 2016</td> </tr> <tr> <td>UNC Modification Panel decision</td> <td>21 July 2016</td> </tr> </table>		Initial consideration by Workgroup	12 April 2016	Amended Modification considered by Workgroup	06 June 2016	Workgroup Report presented to Panel	16 June 2016	Draft Modification Report issued for consultation	16 June 2016	Consultation Close-out for representations	07 July 2016	Final Modification Report published for Panel	11 July 2016	UNC Modification Panel decision	21 July 2016	 commercial.enquiries@xoserve.com
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1 Summary

Is this a Self-Governance Modification?

The Modification Panel determined that this is not self governance modification as it is expected to have a material impact on parties or impact competition.

The Workgroup agreed with the Panels determination on self-governance as this modification is likely to impact allocated consumption and therefore could impact competition.

Is this a Fast Track Self-Governance Modification?

This Modification is not proposed as a fast track Modification as it is not an administrative change to the Code.

Why Change?

Where a Meter Reading has not been received by the Transporter Agency, Xoserve for seven years or more, there is a need for Xoserve to calculate and load an estimated Meter Reading, based on the Code Cut Off Date in order for the relevant Supply Point to reconcile upon receipt of a subsequent Meter Reading.

Solution

It is proposed that where a Meter Reading is not present following the 1st April in the Formula Year (t) t-6 it is proposed that the Transporter would calculate an estimated Meter Reading for the Code Cut Off Date. – i.e. this would be 1st April in Formula Year t-3. For example, if by 31st March 2018 a Meter Reading has not been received after 1st April 2012 an estimated Meter Reading would be calculated with an effective date of 1st April 2015.

Relevant Objectives

This Modification would further relevant objective d) 'Securing of effective competition between relevant Shippers and relevant Suppliers'.

This Modification would impact f) 'Promotion of efficiency in the implementation and administration of the Code'.

Implementation

No implementation timescales are proposed.

Does this modification impact a Significant Code Review (SCR) or other significant industry change projects, if so, how?

This Modification is required to support implementation of the UK Link Replacement programme (which incorporates the changes required for Project Nexus). This is because it assists transition to and maintenance of the requirements set out in the Project Nexus Business Requirement Documentation. There is no impact on the Ofgem SCR.

2 Why Change?

The UNC sets out the requirements for Meter Reading submission. There is a population of approximately 17,000 Supply Meter Points for which a Supply Meter is recorded on the Supply Point Register as installed but a Valid Meter Reading has not been accepted since 1st April 2010. The UNC does not contemplate a circumstance where a Supply Meter remains unread for prolonged periods of time.

The Transporter Agency has been working with the industry through the Data Cleansing Workgroup to encourage Shipper Users to submit Valid Meter Readings for Supply Meters where the last recorded Meter Reading is many years old.

The Project Nexus arrangements implemented under UNC Modification 0432 introduces Individual Meter Point Reconciliation for all Supply Meter Points. The reconciliation process requires the use of certain data for the relevant period e.g. Annual Load Profiles etc. To efficiently implement and operate the UK Link system a maximum 7 years data will be migrated to the new system (the remaining data will be archived and will still be accessible where required). Therefore where a Supply Meter has not been read within the last 7 years, no Meter Reading will be migrated to the new register and therefore there will be no Meter Reading recorded against which an Individual Meter Point Reconciliation can be performed when the next post-Nexus Meter Reading is accepted.

During development of the Modification, the Workgroup requested that the estimated Meter Reading takes account of the Weather Correction Factor, consistent with the revised approach defined in UNC Section H 2.2.1. This was introduced in Modification 0432, which will be implemented at Project Nexus Implementation Date. This is intended to be applied for both the transitional and enduring calculation processes.

The Workgroup also proposed that Meter Readings submitted as part of the AQ Amendment process (pre-Nexus) are considered in order to calculate the estimated Meter Read as part of the transitional process.

3 Solution

Where a Meter Reading is not recorded on the Supply Point Register following the 1st April in Formula Year t-6 it is proposed that the Transporter would calculate an estimated Meter Reading as at the Code Cut Off Date – i.e. this would be 1st April in Formula Year t-3. An example of this is that if by 31st March 2018 a Meter Reading has not been received after 1st April 2012 an estimated Meter Reading would be inserted with an effective date of 1st April 2015 (being the relevant Code Cut Off Date).

This would be an enduring process. However, the solution would be initially applied as part of migration to the UK Link system incorporating the Project Nexus requirements. In this respect transitional terms are required.

- The estimated Meter Read shall take account of the Weather Correction Factor consistent with the revised approach defined in UNC Section H 2.2.1 as introduced in Modification 0432 to be implemented at the Project Nexus Implementation Date. This shall be applied for both the transitional and enduring calculation processes.
- Where Meter Readings have been submitted during the AQ Amendment process these shall be considered as candidate readings, along with other Valid Meter Readings, from which to perform the Meter Reading estimation on the target read date.

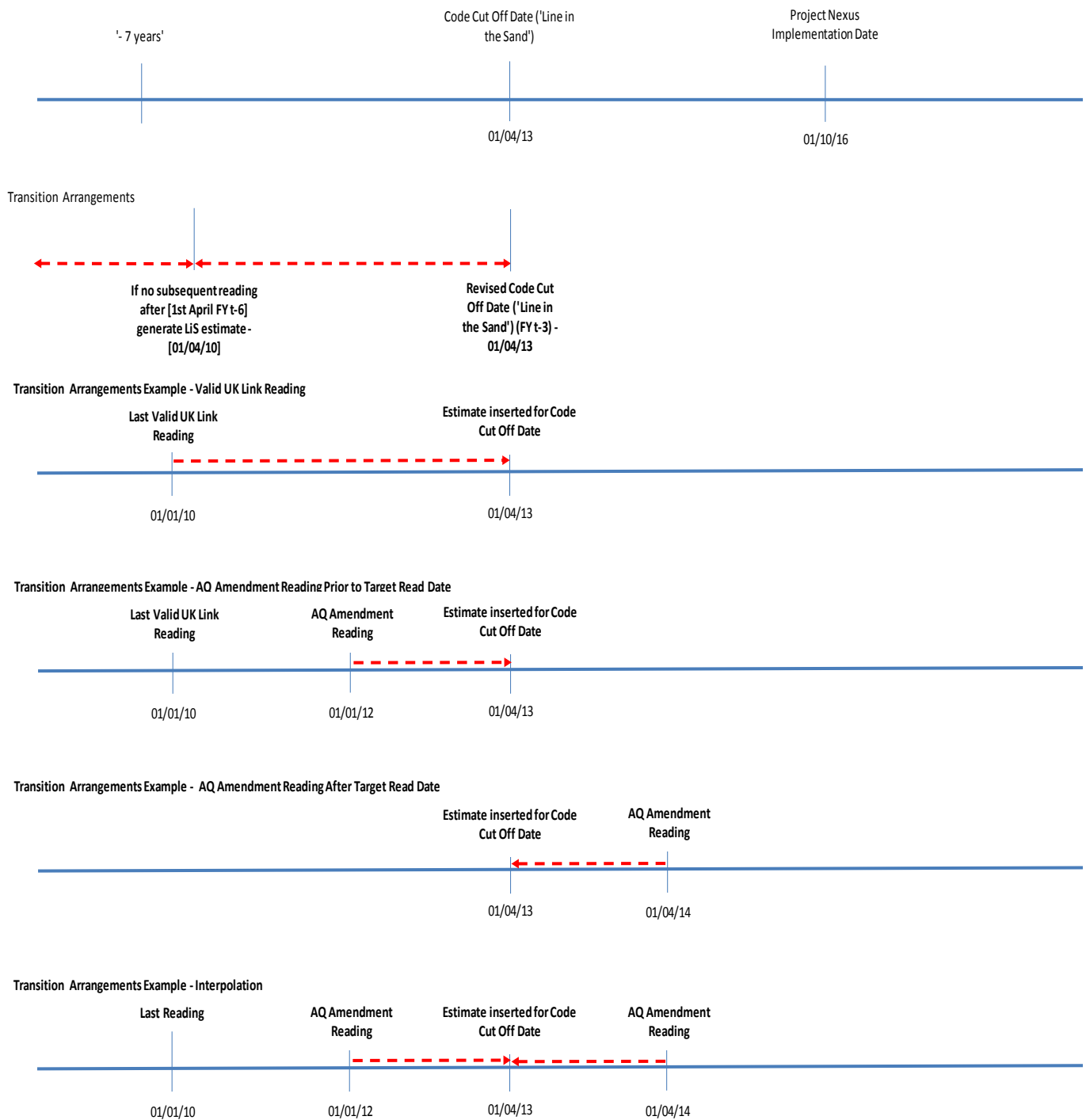
- Valid Meter Readings and/or AQ amendment Meter Readings available before the target read date and AQ amendment Meter Readings available after this date shall be used to interpolate the estimated Meter Reading if possible, otherwise it will be necessary to extrapolate backwards or forwards from the available Meter Reading to determine the estimated Meter Reading.
- In circumstances where no record of a Meter Reading is available a Meter Reading of all zeroes would be recorded.
- Shipper Users may seek to replace any estimated Meter Reading with an actual Meter Reading provided that the estimated Meter Reading is within the period of that User's Supply Point Registration.

It is assumed that these Supply Points would be within the same User's ownership. This is because in absence of a Valid Meter Reading an estimated Meter Reading would have been inserted where a Change of Shipper User event had occurred.

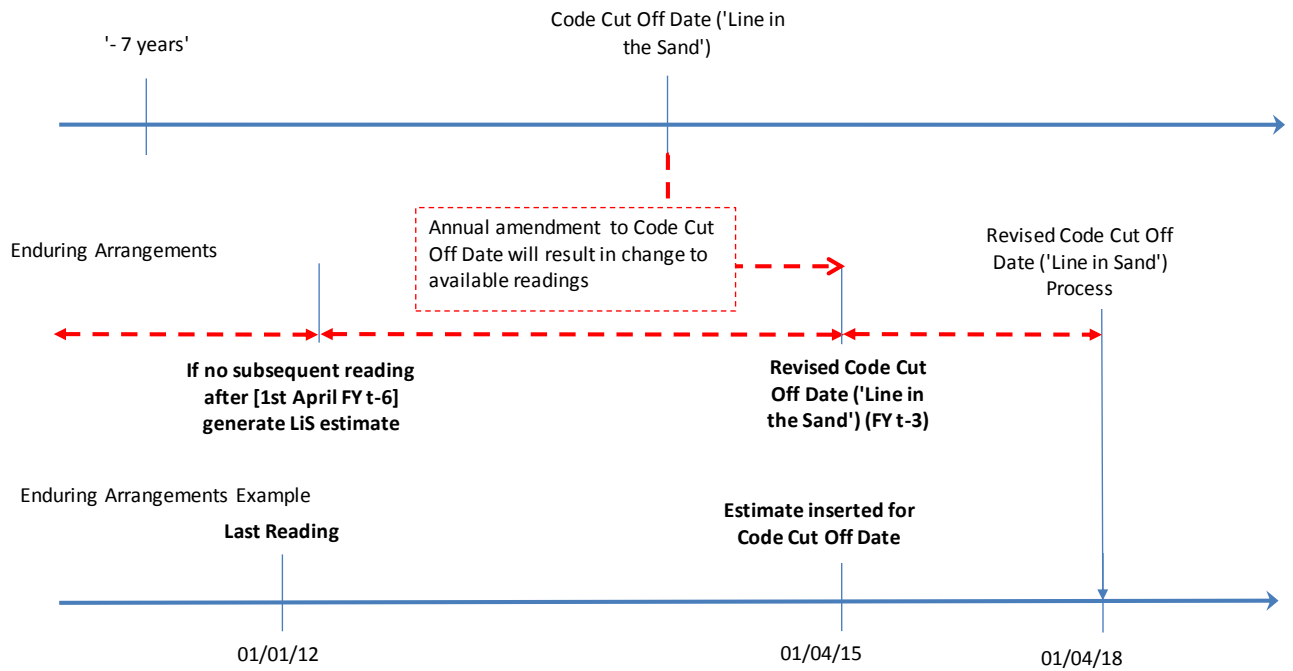
The solution would be initially applied as part of migration to the UK Link system incorporating the Project Nexus requirements. In this respect transitional terms are required to provide for an estimated Meter Reading to be determined at the prevailing Code Cut Off Date (3 - 4 years prior to the Project Nexus Implementation Date).

Transitional and enduring solutions are illustrated on the diagrams below. These are not intended to be exhaustive in that a number of scenarios can apply.

Transitional arrangements



Enduring arrangements



User Pays	
Classification of the modification as User Pays, or not, and the justification for such classification.	No User Pays service would be created or amended by implementation of this modification and it is not, therefore, classified as a User Pays Modification.
Identification of Users of the service, the proposed split of the recovery between Gas Transporters and Users for User Pays costs and the justification for such view.	N/A
Proposed charge(s) for application of User Pays charges to Shippers.	N/A
Proposed charge for inclusion in the Agency Charging Statement (ACS) – to be completed upon receipt of a 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.	None
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.	Impacted
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 would further GT Licence relevant objective d) 'Securing of effective competition between relevant Shippers and relevant Suppliers'. This would be by enabling Transporters to insert an estimated Meter Reading for affected Supply Meters. In turn this would enable Individual Meter Point Reconciliation to take place at a Supply Meter Point when a subsequent Meter Reading is received, in doing so Transporters would be able to allocate consumption to the correct Shipper User.

Some Workgroup participants consider this Modification would facilitate the implementation of the UK-Link Replacement programme (including the arrangements identified within Project Nexus UNC Modifications 0432, 0434 and 0440) allowing the transition from current systems and processes to the new versions. The measures identified can therefore be expected to facilitate relevant objective f) 'Promotion of efficiency in the implementation and administration of the Code. However, others felt this Modification was proposed to manage a system limitation/requirement and therefore did not further this relevant objective.

5 Implementation

No implementation timescales are proposed. However, this modification could be implemented soon after an Ofgem decision to do so

6 Impacts

Does this modification impact a Significant Code Review (SCR) or other significant industry change projects, if so, how?

This Modification is required to support implementation of the UK Link Replacement programme (which incorporates the changes required for Project Nexus) as it assists transition to and maintenance of the requirements set out in the Nexus Business Requirement Documentation.

Pre Project Nexus Implementation

The changes would affect the UK Link Replacement programme prior to implementation. This is because the approaches identified within this Modification are necessary to efficiently migrate data to the target system.

Project Nexus Implementation

The changes identified within this Modification would be applicable on an enduring basis.

7 Legal Text

Text Commentary

GENERATION OF AN ESTIMATED METER READING AT THE CODE CUT OFF DATE IN THE ABSENCE OF AN ACTUAL METER READING

Notes

1. This table is based on the draft legal text contained in Modification 0576 Workgroup report published on the Joint Office website on 07 June 2016.
2. Modification 0576 relates to the generation of an estimated Meter Reading at the Code Cut Off date in the absence of an actual Meter Reading.

TPD Section M (Supply Point Metering)	Topic	Explanation
New paragraph 5.4.5	Valid Meter Reading not submitted	States that if a Valid Meter Reading has not been submitted for a Read Date in the period from 1 April in Formula Year (t-6) to 1 April of the current Formula Year (t), then paragraph 5.4.6 shall apply (unless a Transporter estimated Meter Reading has already been calculated).
New paragraph 5.4.6	Estimated Meter Reading	States that the Transporter shall calculate an estimated Meter Reading for a Read Date of 1 April Formula Year (t-3) (Code Cut Off Date) in

		<p>accordance with TPD Section M5.4.1(b) (which relates to the estimation of Metered Volume for Class 1 and Class 2 Supply Meters) and TPD Section M5.4.2 (which relates to the estimation of Metered Volume for Class 3 and Class 4 Supply Meters).</p> <p>For the purposes of the estimated Meter Reading calculations, where a Valid Meter Reading was submitted for a Read Date in Formula Year (t-7) the estimate shall be made in respect of the period from the Read Date of the last Valid Meter Reading to the Code Cut Off Date. Where no such Valid Meter Reading was submitted, the estimated Meter Reading shall be zero.</p>
New 5.16.2	Updated Meter Reading	States that a User may submit an Updated Meter Reading to replace the Transporter estimated Meter Reading.
TD Part IIF (Nexus Implementation)	Topic	Explanation
New paragraph 7.8.1	Valid Meter Reading not submitted	States that if on the Nexus Implementation Date a Valid Meter Reading has not been submitted in the period from 1 April in Formula Year (t-6), paragraph 7.8.2 shall apply.
New paragraph 7.8.2	Estimated Meter Reading	<p>States that the Transporter shall calculate an estimated Meter Reading for a Read Date of 1 April Formula Year (t-3) (Code Cut Off Date) in accordance with paragraph TPD Section M5.4.1(b) (which relates to the estimation of Metered Volume for Class 1 and Class 2 Supply Meters) and TPD Section M5.4.2 (which relates to the estimation of Metered Volume for Class 3 and Class 4 Supply Meters).</p> <p>For the purposes of the estimated Meter Reading calculations, the estimate shall be made in respect of the period from the Read Date of the last Valid Meter Reading prior to 1 April Formula Year (t-6) to the Code Cut Off Date. Where no such Valid Meter Reading was submitted, the estimated Meter Reading shall be zero.</p>

New paragraph 7.8.3	Notification of User Provisional Annual Quantity	States that where, prior to the Nexus Implementation Date, a User submitted Meter Readings in accordance with TPD G.1.6.5 (notification of User Provisional Annual Quantity) the Transporter may use the Meter Readings to calculate a more accurate estimated Meter Reading.
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Text

The following Text has been prepared by National Grid Distribution at the request of the Modification Panel.

TRANSPORTATION PRINCIPAL DOCUMENT

SECTION M – SUPPLY POINT METERING

Re-number existing paragraph 5.4.5 as paragraph 5.4.7 and insert new paragraphs 5.4.5 and 5.4.6 to read as follows:

"5.4.5 Where on 1 April in any Formula Year (t):

- (a) a Valid Meter Reading has not been submitted for a Supply Meter for a Read Date; and
- (b) the Transporter has not determined an estimated Meter Reading in accordance with paragraph 5.4.6 for a Read Date,

in the period from (and including) 1 April in Formula Year (t – 6) paragraph 5.4.6 shall apply.

5.4.6 Where this paragraph applies the Transporter shall determine an estimated Meter Reading for the Supply Meter for a Read Date of 1 April in Formula Year (t – 3) in accordance with paragraph 5.4.1(b) or 5.4.2 for which purposes:

- (a) where a Valid Meter Reading was submitted for a Read Date in Formula Year (t-7) the estimate shall be made in respect of the period from the Read Date of the last such Valid Meter Reading to 1 April in Formula Year (t-3);
- (b) where no such Valid Meter Reading was submitted for a Read Date in Formula Year (t-7) the estimated Meter Reading shall be zero."

Re-number paragraphs 5.16.2 and 5.16.3 as 5.16.3 and 5.16.4 and insert new paragraph 5.16.2 to read as follows:

"5.16.2 A User may submit an Updated Meter Reading to replace a Transporter estimated Meter Reading determined in accordance with paragraph 5.4.6 provided each of the requirements in paragraph 5.16.1 are satisfied."

TRANSITION DOCUMENT

PART IIF – NEXUS IMPLEMENTATION

Add new paragraph 7.8 to read as follows:

7.8 Estimated Meter Readings

- 7.8.1 Where on the Implementation Date a Valid Meter Reading has not been submitted for a Supply Meter in the period from (and including) 1 April in Formula Year (t – 6) paragraph 7.8.2 shall apply.
- 7.8.2 Without prejudice to paragraph 7.8.3, where this paragraph applies the Transporter shall determine an estimated Meter Reading for the Supply Meter for a Read Date of 1 April in Formula Year (t – 3) in accordance with paragraph TPD Section M5.4.1(b) or 5.4.2 for which purposes:
- (a) the estimate shall be made in respect of the period from the Read Date of the last submitted Valid Meter Reading (prior to 1 April in Formula Year (t-6)) to 1 April in Formula Year (t-3);
 - (b) where no such Valid Meter Reading has been submitted the estimated Meter Reading shall be zero.
- 7.8.3 For the purposes of paragraph 7.8.2, where prior to the Implementation Date a User submitted Meter Readings for the purposes of TPD Section G1.6.5 (as applying prior to such date) the Transporter may use such Meter Readings for the purposes of determining a more accurate estimate for the purposes of paragraph 7.8.2.

8 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.