



## **Issue: Shipper / Supplier Agreed Readings**

DWG – January 2020

# Problem Statement

- Shipper (Supplier) Agreed Reads (SARs) are required when an Opening Meter Reading for a Change of Shipper (and after CSS implementation, a Change of Supplier event) is disputed
  - This could be the Shipper supplied read or, in the absence of such, the CDSP estimated opening read
- An Actual Meter Reading may have been obtained but is not considered to be Valid by the CDSP and, therefore, rejected
  - Currently, Opening Meter Readings are subject to Inner Tolerance Validation
    - Post CSS implementation these will only be subject to Outer Tolerance Validation
  - The Meter Reading history in a previous Shipper's ownership (not necessarily the one immediately prior) may be the reason for this validation failure
- Where a Meter Reading is disputed, the respective Shippers (or Suppliers) must agree a revised Meter Reading between themselves in an offline process
  - It is the responsibility of the Incoming Shipper to provide the Opening Meter Reading
- Some parties do not fully participate in this process and escalation route is ineffective
- Where a Shipper Agreed Reading is not accepted into UKL due to Validation failure then Suppliers will be required to perform offline processes i.e. Consumption Adjustments
  - Read Validation failures are based on agreed industry rules
  - Consumptions Adjustments are also subject to inner tolerance validation

# What the Code states (UNC)

- UNC Section M
  - The Incoming Shipper is responsible for providing the Opening Meter Reading
  - Where the Meter Reading Reason is Replacement for an Opening Meter Reading, it **must** be Agreed between the Incoming and Outgoing Shipper
  - Read is subject to UNC Validation Rules i.e. Inner and Outer Tolerance checks
- 5.13.12 The Proposing User may notify to the CDSP a revised value of a Meter Reading (an “**Agreed Opening Meter Reading**”) which is agreed between the Proposing User and the Withdrawing User as being valid for the same Read Date as, and which is to replace, the Opening Meter Reading (or estimated Meter Reading under paragraph 5.13.7).
- 5.13.13 Where a User notifies to the CDSP an Agreed Opening Meter Reading under paragraph 5.13.12:
  - (a) the CDSP will accept such reading;
  - (b) the Offtake Reconciliation in relation to the Withdrawing User (determined under Section E6.2 in accordance with the original Opening Meter Reading or estimated Meter Reading under paragraph 5.13.7) shall be revised in accordance with E6.5.2; and
  - (c) the CDSP will notify the Agreed Opening Meter Reading to the Withdrawing User.
- 5.13.15 Where a User submits a Proposing User Estimate or an Agreed Opening Meter Reading, the User shall be deemed thereby to warrant to the CDSP and to the Withdrawing User that such Meter Reading has been agreed by the Withdrawing User (and GT Section B2.4.1 shall not apply in respect of this paragraph 5.13.15).

# What the Code states (SPAA)

- Schedule 11 (NB: Mandatory for Domestic Suppliers/Elective for I&C Suppliers)
  - The Incoming Supplier is responsible for providing the Meter Reading
  - Disputes need to be initiated within 12 months of the CoS (subsequent bilateral agreements are referenced, but not covered by the Schedule)
    - After initiation, these need to be resolved within 70 business days
  - Where the dispute relates to a volume of 1200 kWh or less, the Outgoing Supplier is encouraged to accept the Meter Reading (unless an Actual or Customer Reading exists)
  - Agreement required between Suppliers to resolve Reading history if this prevents acceptance, by the CDSP, of the CoS Meter Reading

## 2.4 Phase Four – Submission of Agreed CoS Meter Reading

- 2.4.1 The New Supplier (regardless of which Supplier initiated the process) will send the agreed CoS Meter Reading to the CDSP, via their Shipper, via the U01 (Unbundled Meter Reading (\*UMR) flow defined in the UK Link Manual.
- 2.4.2 If the CDSP is satisfied that the Meter Reading is correct, they shall enter the Meter Reading into their systems.
- 2.4.3 Where the Meter Reading fails validation and the CDSP is not satisfied that the Meter Reading is correct the CDSP shall inform the New Supplier, via their Shipper, in order that the New Supplier can review the Meter Reading. The New Supplier can attempt to agree another Meter Reading with the Old Supplier and Customer and submit it to the CDSP via their Shipper, as described in Phase 3. Where the Suppliers and Customer cannot agree, the New Supplier will need to obtain an Actual Reading. The New Supplier shall request a site visit to obtain an Actual Reading. The request must detail that the Meter Reading is required to settle a CoS Meter Reading dispute.
- 2.4.4 Once obtained, the Actual Reading can be used by the Suppliers to agree a CoS Meter Reading between Suppliers and Customer.
- 2.4.5 In the event that the Suppliers and Customer are satisfied with the SAR but the CDSP remains unsatisfied, the Suppliers will use the agreed Meter Reading regardless and the CDSP does not need to enter the Meter Reading into their systems.
- 2.7.1 Where the CDSP notifies the New Supplier that a replacement CoS Meter Reading is prevented from loading in the Gas Transporter Database due to Meter Reading validation (including where the previous Meter Reading(s) prevents this replacement Meter Reading loading) replacement of such erroneous Meter Readings (to enable the acceptance of an agreed replacement CoS Meter Reading by the CDSP) should be resolved by bilateral agreement between Suppliers.

# What the ICoSS Rules state

- Section 18 addresses Transfer Readings
  - Incoming Shipper responsible for Opening Read Submission
  - Shippers should work together to agree read when the existing one is deemed erroneous
  - On receipt of a SAR proforma the receiving shipper should reply within 5 working days
  - Where read history results in read rejection then previous shipper should replace incorrect reads within 10 working days
    - It is the current/outgoing shipper's responsibility to contact the shipper in ownership of the site prior to them should that period of read history require correction
  - Where meter readings and RFA requests are rejected then the Inter Shipper Dispute process will be followed

## Shipper Agreed Read (SAR) Process

- 18.3 Where an actual transfer meter reading is obtained, but it is identified that this meter reading is erroneous, then Shipper A (current Shipper) and Shipper B (new Shipper) shall agree an alternative transfer meter reading. Once agreed, this meter reading shall replace the erroneous meter reading using the read replacement rules set out in the UNC.
- 18.4 Where it is identified by either Shipper A or Shipper B that the transfer meter reading is erroneous, both Shippers shall use all available means to produce a more accurate meter reading, this can be by contacting the other Shipper involved and/or obtaining additional meter readings from their relevant agent or the Consumer. The initiating Shipper (this could be either Shipper A or Shipper B) will then fill out the SAR proforma and send to the other Shipper via email, or other mutually agreed mechanism.
- 18.5 The receiving Shipper shall check all details and respond within 5 Working Days, either accepting the suggested new transfer meter reading or proposing an alternative meter reading (with supporting information, such as additional meter readings).
- 18.6 The receiving Shipper shall indicate acceptance of the SAR on the form and return to the initiating Shipper. Shipper B (new Shipper) shall then submit a read replacement request via the relevant file flow, to the CDSP.

## Read Replacement

- 18.7 Once the Shippers have agreed the transfer meter reading, this will be submitted to the CDSP by Shipper B (new Shipper). On receipt, the CDSP will check this meter reading against the agreed rules and tolerances set out in the UNC. Should this meter reading be accepted, the new meter reading shall replace the estimated transfer meter reading and transportation charging for each Shipper will be corrected.
- 18.8 Should this read be rejected, both Shippers shall consider their best course of action. The possible courses of actions are as listed below:
- 18.8.1 Replacement of historical incorrect reads in Shipper A ownership by Shipper A. On some occasions it would be required for the Shipper/s in ownership prior to Shipper A to also replace reads in their ownership. It is Shippers A's responsibility to contact a Shipper prior to their ownership. The reads should be replaced by the relevant file flow within 10 Working Days and any rejections of replacement reads should be communicated by Shipper A to Shipper B.
- 18.8.2 Submission of RFA query by Shipper B asking CDSP to amend the transfer read to reflect the SAR. Shipper B should inform Shipper A that they are submitting the RFA so that Shipper A can submit a complimentary RFA. Please note CDSP would normally reject Shipper A's RFA if Shipper B have not submitted one.
- 18.8.3 If it is not possible to replace the meter reading and the RFA queries have been rejected by CDSP then the Inter Shipper Dispute process will be followed for reconciliation of transportation charges.
- 18.9 Read replacement should be performed for any SAR, regardless of AQ.

# What the System does....

- The Opening Meter Reading should be corrected on UKL to ensure that energy values are calculated correctly
  - Workaround is for Incoming Shipper to perform a Dummy meter exchange and for both parties to action consumption adjustments
- The Replacement Opening Meter Reading must be flagged as 'Agreed' (source of 'A' in reading file)
  - No evidence of this off-line process is necessary
- Increased Meter Reading validation has caused SARs to be discussed more....
  - Leading to insertion of 2.7.1 in Schedule 11 re: Meter Reading history in SPAA

# Potential Remedies

- Increased management/service provided by CDSP
  - Distinct service line to provide additional services such as:
    - A Shipper lodges a challenge and then CDSP prompts interactions between parties
    - Ability for CDSP to override tolerance failures as an exception
    - Consumption adjustments lodged and simultaneously applied
    - Provision of the last actual read in outgoing shippers ownership
- Allow first Replacement to not have been agreed by both parties
  - Process/code changes to allow the incoming shipper to submit a non agreed replacement read where collaboration has been sort
    - Additional option to support this with a new read type reflecting Not Agreed
  - If challenged, evidence of engagement but lack of progress/agreement would be required
- Allow Outgoing Shipper to provide the Replacement
  - This process would only allow Replacement of an estimated transfer read
  - Outgoing Shipper could submit a read on loss date to be used as the transfer reading
  - May have to wait a given number of days to allow incoming shipper to engage in process
- Introduce new process of Appeal Read type
  - Replace transfer read with an Appeal type which could be submitted by either party
    - The Outgoing shipper could submit this after the transfer estimate has been generated
  - The read would be validated and, if non-tolerance related items pass, it will be held and both parties informed
    - If read fails validation for an item other than consumption tolerance it would be rejected as per existing processes
  - Non submitting party would have a set time period in order to challenge
  - On appeal expiration, if no action taken by other party, the read is progressed back through standard validations

N.B. The above points will require further investigation and impact assessment