

iGT UNC / iGT INC Modification Proposal

Date	12th March 2014
Urgency	Non - Urgent
Reference	iGT054
Status	For Development
Title	Profile For Pre-Payment Meters
Proposer	Huw Comerford Winchester Gas
iGT UNC / Pipeline Operator <i>Confirm whether the Modification Proposal is to the iGT UNC or an iGT's Individual Network Code.</i>	iGT UNC
Modification Proposal Dates	<i>Circulation: dd/mm/yyyy Response: dd/mm/yyyy Circulation of DMR: dd/mm/yyyy Response to DMR: dd/mm/yyyy DFMR published: dd/mm/yyyy DFMR considered at Panel: dd/mm/yyyy FMR sent to authority: dd/mm/yyyy Circulate Authority's determination: dd/mm/yyyy Suggested Implementation date: dd/mm/yyyy</i>

Urgency

Urgency status was originally requested for this alternate Modification in line with iGT UNC 054, following consideration by the Authority non-urgent status was assigned to this Modification.

Background

Under the current regime all SSPs are subject to RbD, and their allocation is determined by the EUC1 banding. However as they have a higher visibility of their usage the profile of a pre-payment customer is flatter than that of a standard domestic credit meter. This results in an over stated gas allocation for this sector of the market. This can have financial implications which could affect shipper's allocation costs, especially smaller shippers. Xoserve have done analysis on daily metered data we have provided to them on our smart meters in pre-payment mode and this supports the above.

The Proposal

It is proposed that Xoserve develop an estimated profile for pre-payment meters using the pre-payment usage data submitted by shippers. Each month Xoserve would then calculate usage based on this new profile along with applying weather correction values. These sites would then be reconciled after month end based on the average SAP price for that month. All supply points with either a pre-payment meter or Smart meter, in pre-pay mode, would be billed to this new profile. This is intended to be a short term solution to rectify this allocation issue until the UK

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Link Replacement comes into effect.

How will the proposal operate?

It is proposed any pre-payment meter or Smart meter operating in pre-payment mode, be reconciled on a profile [for each LDZ, or group of LDZs dependent on the judgement of the Large Transporters' Agent, whichever is the most appropriate approach to aggregating the available data,] derived for pre-payment meters rather than the current EUC 1 profile which is based on the usage from a credit meter. Xoserve shall utilise the profile developed under UNC Modification 0451AV.

Pipeline Operators will need to report to Xoserve the number of Pre-payment Meters or Smart meters operating in pre-payment mode on their networks to allow for the appropriate adjustment in the RbD billing for SSPs.

Detailed Business Rules:

1. Scope

1.1 - Any supply point that has a pre-payment or smart meter, in pre-pay mode, which is held on an iGT's portfolio to be reconciled to the alternative pre-payment profile.

1.2 - For the multi-metered supply points the aggregated AQ will need to be below and remain below the LSP threshold and all meters must either be pre-payment or smart meters in pre-pay mode for the supply point to use the alternative profile.

1.3 - It is intended that this modification will be superseded by the UK Link Replacement and the UNC modifications related to this.

1.4 - Each iGT will take a snap shot of all meter points that are shown on their portfolios as having a pre-payment or smart meter at the 15th of the month to identify the potentially eligible meter points.

1.5 - All pre-payment meters identified in the snap shot taken in 1.4 will be subject to the new pre-payment profile.

1.6 - To identify the smart meters in pre-pay mode, each shipper may provide monthly to each iGT, no earlier than the 16th of the month and no later than the 21st of the month, a list of meter points where they reasonably believe a smart meter was installed and operating in pre-pay mode on 15th of each month. This list will contain the MPRN. Any not in the iGT snapshot taken under 1.4 will not be eligible. If a list has been provided by any Shipper in one month and no list is received in the following month, each iGT shall use the list provided by the Shipper in the previous month. For the avoidance of doubt, any MPRN included

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in a list provided by Shippers is expected to remain there for a whole year. At the request of the Authority reports will be submitted by each iGT to the Authority to provide reassurance that Shippers are not electing meter points only at times when a credit is expected.

1.7 - Between the 22nd and 28th days of each month, each iGT will send to Xoserve a list of all pre-payment meters and smart meters operating in pre-pay mode using the reports in 1.4 and 1.6.

1.8 - Any smart meter not in pre-pay mode, or in pre-pay mode that is not provided in the report in 1.6, will remain subject to the EUC1 profile.

1.9 - No subsequent amendments to the snapshot taken by each iGT nor the information provided by Shippers will be accepted nor actioned - the initial eligible supply point identification will be sacrosanct and this is a one-off adjustment, never to be revisited.

2. Conditions for eligibility when the snap shot (1.4) is taken.

2.1 - Must be a SSP, with either a pre-payment or smart meter in pre-pay mode installed that is held on the relevant iGT portfolio. The status of the smart meter will be determined by the monthly shipper report in 1.6.

2.2 - The following events will automatically cause the meter point to revert to being subject to the EUC1 Profile:

- i. The meter is exchanged and a dumb credit meter is installed.
- ii. The smart meter is changed to credit mode.
- iii. As part of an AQ review or appeal the supply point of which the meter point is part becomes an LSP.

3. Threshold Crossers

3.1 - If due to any reason an eligible meter point crosses the threshold from an SSP and becomes an LSP after the 15th of the month it will continue to benefit from the alternative pre-payment profile until the end of the month in which the snapshot was taken.

4. Change of Shipper

4.1 - Where a Change of Shipper occurs between the 16th and the final day of the month, the Large Transporters Agent will continue to apply the PPM EUC Profile to the Supply Point until the end of the month.

Note: Rules 3 and 4 will form part of the UNC modification (UNC0468), as they are clarification of how the Large Transporters should treat instances of an AQ threshold crosser and a change of shipper. They will not form part of the iGT054A legal text as they are not obligations on either iGTs or Shippers, and have been

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included in these business rules for clarity only.

Suggested timescale for implementation

We suggest that this modification is implemented on the 1st October 2014 to align with the new gas year.

Section of the Code Concerned

Facilitation of the relevant objectives

How this proposal will, if implemented, better facilitate the “code relevant objectives”, as defined in Standard Condition 9 of the Gas Transporters Licence. For those answered Yes to, please provide a detailed explanation below the table.

<i>Relevant Objective</i>	<i>Yes/No</i>
a. the efficient and economic operation of the pipe-line system to which this licence relates	No
b. so far as is consistent with sub-paragraph (a), the coordinated, efficient and economic operation of the pipe-line system of one or more other relevant gas transporters	No
c. so far as is consistent with sub-paragraphs (a) and (b), the efficient discharge of the licensee’s obligations under this licence	No
d. so far as is consistent with sub-paragraphs (a) to (c) the securing of effective competition between relevant shippers and between relevant suppliers	Yes
e. so far as is consistent with sub-paragraphs (a) to (d), the 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	No
f. so far as is consistent with sub-paragraphs (a) to (e), the promotion of efficiency in the implementation and administration of the network code and/or the uniform network code referred to in paragraphs 2 and 5 respectively of this condition	No
g. so far as is consistent with sub-paragraphs (a) to (f), the 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	No

* Regulation 2009/715/EC of the European Parliament and of the Council of 13 July 2009

Relevant Objectives to be better facilitated: Objective D

Accurate cost allocations are a fundamental underpinning of a competitive market. Implementation would allocate transportation and energy costs differently, and believe this would more accurately allocate costs by better recognising the true usage pattern of PPM s over the year. More accurately reconciled on this sector of the market is especially important for any smaller supplier which would want to

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focus on this area. Rejection of this modification could have a detrimental effect on competition as it could put smaller suppliers focussing on this market in a position they cannot sustain, creating risk and uncertainty as the impact is volatile and unpredictable.

Likely impact on environment?

None

Implementation issues including impact on systems

Proposed Legal Text

Completed forms should be returned to the iGT UNC Representative, Gemserv Ltd at iGT-UNC@gemserv.com or faxed to 020 7090 1001