

iGT UNC / iGT INC Modification Proposal

Date	16 th July 10
Urgency	Non-urgent
Reference	iGT027
Status	For Consultation
Title	Inclusion of Last Accepted Read and Read Date to Portfolio Extract
Proposer	Colette Baldwin E.ON
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: 20/08/2010 Response: 13/09/2010 Circulation of DMR: 04/10/2010 Response to DMR: 25/10/2010 DFMR published: 15/11/2010 DFMR considered at Panel: 15/12/2010 FMR sent to authority: 22/12/2010 Circulate Authority's determination: dd/mm/yyyy Suggested Implementation date: February 2011</i>

Urgency

If the Modification is Urgent, please provide justification here

Background

The IGT UNC requires that where Pipeline Users have not obtained a meter reading for at least 24 months for annually read sites, that the Pipeline Operator will procure one on a reasonable endeavours basis (Section E 5.1)

Suppliers have a licence obligation to inspect a meter every two years on the grounds of safety, and it is generally anticipated that a meter reading accompanies the inspection notification from the Pipeline User to the Pipeline Operator. Pipeline Users can normally fulfil their obligations under Section E 4.1 to provide a meter reading every 24 months for Small Supply Points by combining their code and licence obligations into one process. However, sometimes for a variety of reasons the reading is not sent by the Pipeline User at that time or when sent it is not accepted by the Pipeline Operator on receipt.

Competition in domestic supply has led to a healthy level of churn of Small Supply Points in the gas market. Since this can result in varying performance by Pipeline Users in obtaining an annual meter reading, particularly for SSPs, a supply point can be gained without an accepted actual meter reading being held by the transporter for quite some time and potentially a Must Read can become due relatively quickly after a change of supply.

Unfortunately there isn't a definitive place that Pipeline user can rely on with regard to confirmation of the last read accepted by the Pipeline Operator, particularly after a change of supply, and this can lead to a Must Read being undertaken by the Pipeline Operator before the Pipeline User has had the opportunity to build that requirement into

iGT UNC / iGT INC Modification Proposal

it's processes for those sites.

For non iGT sites, to facilitate the energy reconciliation process the large transporters provide advance notification to shippers for all Must Reads (both large and small supply points) that are becoming due, enabling Pipeline Users to obtain, submit and have accepted a reading in a timely manner, however no such notification is provided by the iGT Pipeline Operator.

Therefore in order to facilitate the commercial market arrangements of energy allocation, particularly with regard to the LSPs (as required under the CSEP NEXA Agreement), it is important to Pipeline Users that they are able to maximise their opportunities to obtain a reading, by having better visibility of when the reading will fall due, and to have them accepted without the Pipeline Operator being put to the inconvenience or burden of obtaining the readings on their behalf.

The Proposal

The proposal seeks to introduce a requirement on the Pipeline Operator to provide details of the last accepted actual read and date it was accepted on the Portfolio Extract which is provided to Pipeline Users monthly. This will enable Pipeline Users to develop their own more efficient processes to comply with the code's Must Read requirements.

Suggested timescale for implementation

February release 2011

How will the proposal operate?

Two additional elements will be provided on the Portfolio Extract - Last Accepted Actual Read and Last Accepted Actual Read Date.

Facilitation of the relevant objectives

How this proposal will, if implemented, better facilitate the "code relevant objectives", as defined in Condition 9 of the Gas Transporters Licence.

As the Pipeline Operators place a high value on having the actual readings for the efficient and economic operation of their Pipeline System, we believe this will better facilitate the following relevant objectives

a. the efficient and economic operation of the pipe-line system to which this licence relates; As Pipeline Users will have an accurate picture of when a Must Read will be required, it will enable them to be more proactive in obtaining their meter reads and submitting them to the Pipeline Operator, thus improving the number of accepted readings and removing the need for the Pipeline Operator to undertake this activity which is not part of their core business operations.

d. so far as is consistent with sub-paragraphs (a) to (c) the securing of effective competition between relevant shippers and between relevant suppliers; Since the

iGT UNC / iGT INC Modification Proposal

Pipeline User will have the information provided to them on a monthly basis, it will remove the current guess work that goes into determining whether the Pipeline Operator has accepted actual meter readings from the previous Pipeline User and enable the new Pipeline User to target the Must Read sites for a reading in a more proactive manner, which in turn should reduce the costs of this activity to the industry.

Proposed Legal Text

Wherever possible, a proposal should contain proposed draft legal text to reflect how the Network Code would change if the proposal were implemented.

Amendment to Appendix G-2 Portfolio Extract



Portfolio Extract.doc

(See supporting document)

Additional clause required -Section E Clause 3 -suggested text:

3.8 The Pipeline Operator will provide details of the last accepted Actual Meter Reading and the Date it was accepted as detailed in the Portfolio Extract. The reading information will be provided to the current Pipeline User regardless of whether they were the registered Shipper at the time of its provision.

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