

## iGT UNC / iGT INC Modification Proposal

<b>Date</b>	2 <sup>nd</sup> March 2011
<b>Urgency</b>	Non-urgent
<b>Reference</b>	iGT035
<b>Status</b>	For Development/Consultation
<b>Title</b>	Improving the availability of read history and Asset provision
<b>Proposer</b>	ScottishPower Energy Management Ltd
<b>iGT UNC / Pipeline Operator</b> <i>Confirm whether the Modification Proposal is to the iGT UNC or an iGT's Individual Network Code.</i>	iGT UNC
<b>Modification Proposal Dates</b>	<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

n/a

### Background

*UNC Modification 279 "Improving the availability of meter read history and asset information" was raised by GDF SUEZ Energy UK and will be implemented within the UNC on a date to be confirmed, although Authority approval was directed on 28<sup>th</sup> July 2010. This Modification was raised in an attempt to overcome difficulties that were present within the Annual AQ process, when insufficient meter read and asset information is available to enable a successful AQ amendment appeal, particularly in relation to cases where a supply point has changed ownership.*

*In such cases the new shipper is expected to produce at least 6 months of meter read history to support an amendment to the AQ.*

*The read history and asset details from the previous supplier are not currently visible to the new shipper/supplier in such circumstances for all IGT's.*

*This modification which replicates the intention of UNC Modification 279, is aimed at making the required meter reading and asset information available to the incoming shipper in order to allow them to accurately amend the AQ and other relevant information in its portfolio.*

*Within UNC Modification 279 the Proposer stated that "Analysis based on the 2009 Annual AQ process has shown that ~30% of potential revisions to AQs were not able to be progressed due to this issue". In Ofgem's decision letter dated 28<sup>th</sup> July 2010, Ofgem stated "We consider that this modification proposal will result in more accurate AQ and Supply Point Offtake (SOQ) values".*

*ScottishPower support this view that access to this additional information should help to*

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*ensure better data quality overall and reduce the number of associated queries. The release of this information is expected to improve the following processes: Annual AQ Review, Change of Supplier, AQ appeal and CSEP Reconciliation*

### **The Proposal**

*This proposal relates to all supply points (SSP & LSP)*

*This Modification Proposal aims to make meter read history and asset information (i.e. Meter Information) available to Pipeline Users for supply points restricted to their current supply point portfolio at the time of request.*

This Modification Proposal further seeks to:

- a) Give permission for the relevant Pipeline Operator to release the information;
- and
- b) require a report to be available on request to each shipper

It is proposed that the information is provided to Pipeline Users in a report on an annual basis, just ahead of the Annual AQ Review. *(Initially if the report cannot be produced ahead of the AQ Review it will be valuable to have the report during the AQ Review process).*

*The report will include the information stated below for a shipper's full portfolio when it is produced for the first time. Subsequent reports will only list changes to the previous report and will not replicate information already provided.*

The information provided within the report may include but not be limited to:

- a) All meter read and meter asset information held by the Pipeline Operator for a 3 year period.
- b) Closing/Latest reading from the outgoing shipper including date of read. This should include both meter and corrector reads.
- c) Clockover (TTZ) count - with supporting readings and read dates.
- d) Meter/Converter Exchange Details - Where there has been a meter exchange in the 3 year period, the closing read of the old meter and opening read of the new meter should be included along with the date of the meter exchange.
- e) Meter Asset details - the following meter asset details should be provided for current meter in place and any preceding meter assets within the 3 year period:
  - i) Serial Number
  - ii) Number of Dials
  - iii) Imperial/Metric Indicator or read factor
  - iv) Read Units
  - v) Correction Factor
  - vi) Model Name e.g. U65 ( i.e. rotary, synthetic diaphragm, ultrasonic and indication of capacity etc)
- f) Reads which have been submitted but are held as invalid and cannot be used for AQ Review.
- g) Converter Exchange Details (start read, start read date, end read, end read date)
- h) Filter Failure Triggered Indicator

*Also, incoming Pipeline Users will not be disadvantaged relative to incumbent Pipeline*

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*Users when estimating customer usage. Providing the meter read history will enable a better forecast of their customers' usage and subsequent reduction in risk which should benefit customers.*

*Additionally, if this proposal was implemented it is envisaged that the number of operational invoice queries from Pipeline Users to the IGTs would be reduced, as the availability of read and meter asset history should enable Pipeline Users to pre-validate to a greater extent than at present.*

### **Consequences of non-implementation**

*Should this Modification Proposal not be implemented, incoming Pipeline Users will continue to be disadvantaged in that they will not be able to validate the proposed AQ provided by the IGT in the Annual AQ.*

*In addition to this customers who have a propensity to switch supplier will also be disadvantaged as their AQ may not be reviewed accurately over a period of years.*

### **How will the proposal operate?**

*This section should explain, specifically, how the proposal will change the operation of the Network Code.*

A report will be provided on an annual basis, prior to the AQ review, detailing the asset and read history for the last 3 years of new sites that have been gained as a result of the shipper transfer process.

### **Suggested timescale for implementation**

### **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 too, please provide a detailed explanation below the table.

Relevant Objective	Yes/No
a. the efficient and economic operation of the pipe-line system to which this licence relates	N
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	N
c. so far as is consistent with sub-paragraphs (a) and (b), the efficient discharge of the licensee's obligations under this licence  Currently capacity charges are levied on the registered SOQ, which is derived from the AQ. Implementation would benefit Pipeline Users by helping to ensure that an accurate AQ was registered to the Supply Point. This in turn would result in a more accurate SOQ and so more accurate charges. Therefore, implementation would further this relevant objective.	Y
d. so far as is consistent with sub-paragraphs (a) to (c) the securing of	Y

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	<p>effective competition between relevant shippers and between relevant suppliers</p> <p>Incoming shippers would have access to meter read history and meter asset information to enable a more thorough AQ review process than is currently the case. The current inequity would be removed in that there would be a level playing field for incoming shippers relative to incumbent shippers such that all shippers have access to relevant information on which to base their customers AQ. This in turn would promote more effective competition between relevant shipper and between relevant suppliers. An improvement in transportation cost allocation would also be achieved. This proposal would also benefit new market entrants.</p>		
	<p>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</p>	N	
	<p>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</p> <p>We believe this Modification will be beneficial to improving the quality of data on the Pipeline Operators' systems as Pipeline Users would be able to identify any historical errors/discrepancies in this data and correct it.</p> <p>Data quality causes numerous issues to Pipeline Users and Operators therefore improving data quality should improve the administration of the iUNC.</p>	Y	

**Likely impact on environment?**

*How this proposal will, if implemented, impact on greenhouse gas emissions? If there is a likelihood, please also advise if an assessment of the quantifiable impact of the proposed modification on greenhouse gas emissions is required?*

**None**

**Implementation issues including impact on systems**

We recognise there may be some impact for the Pipeline Operators to develop the report, if they do not already do something similar.

**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.*

Completed forms should be returned to the iGT UNC Representative, Genserv Ltd at [iGT-UNC@genserv.com](mailto:iGT-UNC@genserv.com) or faxed to 020 7090 1001