

iGT-UNC054/054A/iGT054AA Development Group

Report

Alternative Profile For Pre-Payment Meters

28 February 2014

Background

On 5th July 2013, Utilita raised iGT054. The modification sought to introduce new reporting requirements on shippers and iGTs, that would provide the Large Transporters with the data required to assign the Prepayment Meter EUC (developed as part of modification UNC451AV) to those Supply Points where either a prepayment meter or a smart meter operating in prepayment mode is installed. The relevant supply points will then be reconciled and billed based on the prepayment meter EUC's profile.

On 17th July 2013, E.On raised iGT054A, an alternate to Utilita's iGT054. E.On's modification mirrored the solution put forward by iGT054, but stripped out the retrospective element of the modification.

Ofgem approved UNC451A, essentially rejecting the retrospective element of Utilita's UNC451 modification. As a result, Utilita indicated that they would be amending their modification to remove the retrospective element. This meant that two modifications seeking to make identical changes to the iGT-UNC existed.

At the Development Group on the 20th February, Utilita and E.On both indicated that they would not be willing to withdraw their respective modifications.

Also at the Development Group on the 20th February 2014, ES Pipelines raised iGT054AA. ES Pipelines' modification mirrored the solution put forward by iGT054A, but stripped out the 'Smart Meters operating in prepayment mode' element of the proposal.

Unless either Utilita or E.On opt to withdraw their modification, the Panel is being asked to consider three modifications, iGT54, iGT054A and iGT054AA.

Further information can be found at:

<http://www.igt-unc.co.uk/Modifications/Open+Modifications/iGT054>

<http://www.igt-unc.co.uk/Modifications/Open+Modifications/iGT054A>

<http://www.igt-unc.co.uk/Modifications/Open+Modifications/iGT054AA>

Summary of key discussions

Below is a summary of the key discussions that took place in the iGT054DG. For more detailed descriptions of the specific issues, please refer to the Development Group minutes.

Reporting requirements

The group determined that Xoserve would require data from the iGTs in order assigned the new EUC (created as part of UNC451A) to iGT supply points.

Xoserve confirmed that the maximum data required from iGTs would be:

- MPRN
- Meter Point AQ with PPM
- LDZ
- Shipper ID
- LMN
- LMN AQ (aggregate of Prepayment Meters)
- Project Number

The group discussed whether Xoserve would need to carry out any validation on the report provided by the iGTs. Whilst this was desirable the group agreed that such an obligation would fall under the UNC/CSEP NExA and should only be carried out if analysis showed there was a business case for doing so. If the associated UNC modification does come to state that Xoserve will be required to validate the iGT PPM Report, then iGT054/A/AA will have to be modified to include business rules around receiving a rejection file, investigating the reason for rejection and resending a file to Xoserve by a certain date.

In order for the iGTs to add the Smart Meters operating in prepayment mode to the report provided to Xoserve, shippers would need to provide iGTs with the following data items for each relevant supply point prior to the iGT sending a monthly report to Xoserve:

- Meter Point Reference with Smart Meter operating in prepayment mode
- Meter Serial Number

It was agreed by the group that the timing of these reports should align with the equivalent processes described in UNC451AV.

The group considered whether shippers could provide the reports directly to Xoserve. Members felt that data from the industry's registration systems should be used, particularly as iGTs have the ability to validate the data received from shippers, whereas Xoserve would not be able to.

Requirement for a UNC modification

It became clear that, in order for the data being passed to the Large Transporters (i.e. Xoserve) to be included in the calculations for reconciliation and billing, a modification needed to be raised to the UNC obligating the Large Transporters to use the reports from iGTs.

Utilita raised the modification to the March 2014 UNC Panel.

The workgroup did consider whether a variation to UNC451V/451AV could be made to include iGT data where it was provided to the Large Transporters. The feedback given was that it was originally considered by the UNC, but that a decision was taken not to include iGT data.

The Development Group were of the view that iGT054/054A/iGT054AA would need to be sent for Authority Decision in parallel to the UNC modification (obliging the Large Transporters to use the iGT data in RbD and billing). The group considered that without the UNC modification, it would be hard to argue that iGT054/054A/iGT054AA better facilitate the code's Relevant Objectives.

Analysis of Materiality

iGTs provided analysis that suggested there were approximately 30,000 prepayment meters and 10,000 smart meters on iGT networks. Shippers fed back that 2-3% of smart meters were operating in prepayment mode (between 200-300 meters).

No party provided any historical analysis of SAP prices being applied to EUC1 and a PPM EUC, to supplement the analysis provided by Utilita as part of the modification.

iGT funding for production of reports

iGTs raised concerns around the costs, in particular the required man hours, of implementing the proposal under iGT054/054A.

iGTs took an action to discuss potential funding approaches for this modification. iGTs concluded these discussions by agreeing that work needed to be carried outside of the iGT054 Development Group, if a funding mechanism were to be brought into the iGT-UNC. iGTs noted that this did not preclude individual iGTs from seeking to charge shippers for the services provided as part of iGT054/iGT054A/iGT054AA where they (and Ofgem) deemed that the costs of which were not currently being recovered through shipper transportation charges. Shippers and iGTs agreed that charges could not be levied on shippers in relation these services through a mechanism that did not include a consultation with industry and the ability for Ofgem to veto the iGT's funding proposal (i.e. through an addition to an iGT's Transportation Charges Statement).

iGT054AA was raised to remove a large element of the mod's complexity and thus cost for iGTs, after the proposers of iGT054 and iGT054A refused to amend their modifications.

Legal text

The Development Group considered the legal text provided by the transporters.

Members agreed that the best approach would be to place high level obligations in the Code and place the detail of the solution (i.e. file formats and rules) in an Ancillary Document.

Parties agreed that the file format of the iGT to Xoserve report should be kept out of code, to allow the flexibility for it to be changed quickly, should Xoserve's data requirements change after implementation.

Legal text has been provided to the panel, as an output of the iGT054 Development Group.

Implementation

The Development Group established that the desirable implementation date will align with the start of the 2014/15 Gas Year (1st October 2014).

iGTs and shippers confirmed that this modification would not require any internal system changes.

Members discussed the implications of iGT054/054A/054AA being implemented prior to Xoserve completing the necessary systems development. iGTs members indicated that they would rather have a fixed date at which to commence providing the report, rather than a moving date, based on Xoserve's system implementation date.

Recommendation to iGT UNC panel

The panel is invited to consider whether it has the authority to, and whether it feels it necessary to, direct that only one of iGT054 or iGT054A proceed to consultation, in the event that iGT054 and iGT054A propose identical solutions.

The panel is invited to consider iGT054, iGT054A and iGT054AA, together with this Development Group report, with the recommendation to send the modifications out to consultation.

The panel is asked to consider whether anything can be done to ensure that Ofgem consider iGT054, iGT054A and iGT054AA in conjunction with the associated UNC modification.