

# iGT054 - Alternative Profile for Pre-Payment Smart Meters & iGT054A - Alternative Profile for Pre-Payment Smart Meters (ALT)

## Terms of Reference

### *Purpose*

This Development Group has been established to progress modification iGT054 & iGT054A.

### *Background*

Under the current allocation regime all SSPs are subject to RbD, and their allocation is determined by their EUC1 banding. Evidence submitted by Winchester Gas suggests that the profile of a pre-payment customer is flatter than that of a standard domestic credit meter customer which effectively results in an over allocation of gas during the winter period and under allocation of gas during the summer period for this sector of the market. The impact of the disparity in allocation costs compared to the billed consumption has a detrimental financial impact on shippers, especially on smaller niche shippers.

### *Deliverables*

The Development Group is asked to deliver:

1. A final report outlining the findings of the Group, including recommendations for any changes to the iGT UNC (and note any changes required to UNC).
2. Draft modification proposals for changes to iGT UNC and potentially individual network codes (any amendments made to modification proposals will be at the discretion and the responsibility of its respective proposer).
3. Proposed legal text.

Reports of progress will be provided to the iGT UNC Modification Panel at each meeting held throughout the period of the Development.

### *Scope*

The Development Group will be asked to consider the materiality and the potential process/solutions for the modification.

#### **Area 1 – Materiality**

The Development Group will be asked to consider:

- The materiality of these modifications' proposals, taking in to account:
  - The level of disparity in the allocation of costs as a result of PPMs and smart meters on iGT networks;
  - The costs to the industry of implementation;
  - The impact on materiality should Single Service Provision go live in 2015.
- Whether there is a positive business case for this modification.

## Area 2 – Process

The Development Group will be asked to consider:

- Whether the obligation for iGTs to provide a report to Xoserve best sits in the iGT-UNC or another industry code/contact, e.g. CSEP NExA;
- Whether shippers are required to feed into this process (e.g. additional data required by iGTs);
- How to place an obligation on Xoserve to use the new EUC in the allocation of gas calculations for small supply points (and whether this is achievable through the iGT-UNC);
- Whether to adjust existing industry flows/reports or to create a new flow/report;
- The development of a common format, should the obligation sit within the iGT-UNC;
- Whether additional permissions are required for iGTs to share any new data with Xoserve.

### *Composition*

iGTs (and their systems developers where appropriate), shippers, Ofgem, any other interested party.

The development group will be chaired and administered by the iGTs (although by agreement and as part of a proposed joint development group with the UNC, this may not be required). Regardless of administration of the meetings, an iGT-nominated lead will maintain oversight and responsibility for the progress of the work under iGT UNC.

### *Information Sources*

iGT-UNC, Modification UNC451, CSEP NExA

### *Timetable*

The development work is expected to commence in September 2013, following the discussion at the iGT-Shipper Workgroup held on the 2<sup>nd</sup> September 2013. A timetable beyond this should be established by attendees at the first Development Group meeting.

### *Approval*

These terms of reference are subject to approval by Panel. However, the Development Group may recommend changes to the Terms of Reference if required.