

Stage 01: Modification Proposal

iGT080:

Mandating iGT use of Supply Meter Points registered on The Pipeline Operators' Agent's Supply Point Register for Shipper Transportation Billing

At what stage is this document in the process?

- 01 Modification Proposal
- 02 Workgroup Report
- 03 Draft Modification Report
- 04 Final Modification Report

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This modification will mandate the use of *Supply Meter Points registered on* 'the Pipeline Operators' Agency's Supply Point Register to be used by the iGTs for billing Shippers for monthly transportation charges on the iGT networks. Updates to the Supply Meter Point information are provided to the iGTs by The ~~the~~ Pipeline Operators' Agent on a daily basis.



The Proposer recommends that this modification should be

- assessed by a workgroup



High Impact:

Pipeline Users, Pipeline Operators



Medium Impact:



Low Impact:

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About this document:

This modification will be presented by the proposer to the panel on 17 June 2015.

The panel will consider the proposer's recommendation, and agree whether this modification should be subject to self-governance; and whether it should be issued for consultation or be referred to a workgroup for assessment.


Any questions?
Contact: Code Administrator
 igt-unc@gemserv.com
 0207 090 1044
Proposer: Mark Jones
 mark.jones@sse.com
 02920 249135
Workgroup Chair: Insert name
 email address
 telephone
Additional contacts: Insert name
 email address
 telephone

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1. Plain English Summary

Is this a Self-Governance Modification?

This modification is not proposed to be self-governance as it will have impacts on both iGTs' and Shippers' systems

Rationale for Change

Currently, the iGTs bill Shippers for transportation charges on Supply Meter Points that are on iGT networks based on their own portfolio information and not those held on The Pipeline Operators' Agent's portfolio. If the Supply Meter Point portfolio is incorrect, then due to the fact that The Pipeline Operators' Agent does not currently hold the iGTs' portfolios at Supply Meter Point level, it cannot provide information to the iGTs that would allow them to bill Shippers on ~~the~~ The Pipeline Operators' Agent portfolio as the data is not held at the correct level to enable this to happen.

Although this modification will take effect under the new regime of Single Service Provision, when it is recognised that existing data mismatches due to inconsistencies within the current iGT reporting process to Xoserve will be improved, it would be prudent to introduce an approach that will ensure the use of billing data consistent between the iGTs' and Pipeline Operators' Agent's portfolios so that Shippers only have to deal with one portfolio for both energy allocation and transportation billing.

Solution

The proposal is that as The Pipeline Operators' Agent will provide daily portfolio updates to the iGTs after Nexus go live at the necessary Supply Meter Point level, these must be used by the iGTs each month as the basis for Shipper transportation billing. The iGTs must use the Supply Meter Points held by The Pipeline Operators' Agent to bill Shippers for the transportation charges on their own iGT networks. This data will only include the Supply Meter Points that can be billed and no other data items used for charging.

Relevant Objectives

Objective 'D'

This modification will help secure ~~completion-competition~~ between Shippers as more accurate charges will incentivise Shippers to want to ship gas to iGT sites.

Objective 'F'

As there will only be one data set used for billing purposes there will not be a requirement for Shippers to have to maintain two lists of Supply Meter Points and having to compare their own data with both The Pipeline Operators' Agent's and the iGTs'.

Implementation

Implementation costs are not available at this stage.

This modification is required to be implemented at the Project Nexus go live date

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2. Rationale for Change

Currently, the iGTs bill Shippers for transportation charges on meter points that are on iGT networks based on their own portfolio information. To date, The Pipeline Operators' Agent has not held data at Supply Meter Point level for iGT sites, but at an aggregated logical meter level, and in many cases there are multiple Supply Meter Points at these logical meter points and so there is not a one to one relationship.

Due to the fact that The Pipeline Operators' Agent does not currently hold Supply Meter Point information, it cannot provide information to the iGTs that would allow them to bill Shippers on ~~the~~ The Pipeline Operators' Agent portfolio as the data is not held at the correct level to enable this to happen. Furthermore, it has proven impossible to reconcile The Pipeline Operators' Agent's portfolios with the iGTs' portfolios due to the many to one relationship between Supply Meter Points and logical meters. Throughout the time that these arrangements have been in place, since the inception of the iGT market, there have been mismatches in the data, which has led to a number of sites not being held by The Pipeline Operators' Agent and so which have not been charged for gas transportation on the main GTs networks or had any energy allocated to them, ~~which~~ This energy has fallen into the RbD pot and been a cause of unidentified gas.

Post Nexus and the implementation of single service provision The Pipeline Operators' Agent will hold the logical meters at Supply Meter Point level with a one to one relationship for each Supply Meter Point and so there will be able to be a direct comparison with the iGT data sets at the Supply Meter Point level. The Gas Transporters' Agent will also hold physical and other data relevant to the Supply Meter Points. Under single service provision the iGTs expressed their wish to continue to do their own billing for their sites on their transportation networks.

Although this modification will take effect under the new regime of Single Service Provision, when it is recognised that existing data mismatches due to inconsistencies within the current iGT reporting process to Xoserve will be improved, it would be prudent to introduce an approach that will ensure the use of billing data consistent between the iGTs' and Pipeline Operators' Agent's portfolios so that Shippers only have to deal with one portfolio for both energy allocation and transportation billing.

- Keeping the current arrangements will lead to an increased workload as Shippers will have to maintain a 3 way Supply Meter Point portfolio comparison - their own, the iGTs' and The Pipeline Operators' Agent's and manage the differences between them. By mandating the iGTs to use ~~the~~ The Pipeline Operators' Agent data for billing purposes it will result in gas allocation and settlements being more accurate, shippers having to spend less time and effort in managing and resolving differences and disputes between two portfolios rather than three, and will ultimately lead to less unidentified gas.

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3. Solution

The purpose of the modification is to ensure that all iGT supply meter points are set up on The Pipeline Operators' Agent's database and so will help ensure accurate energy allocation to Shippers and minimise unidentified gas. The modification is not seeking to ensure that the iGTs use The Pipeline Operators' Agent's data items for charging information for their transportation charges to Shippers.

The proposal is that as The Pipeline Operators' Agent will provide daily portfolios to the iGTs after Nexus go live that these must be used by the iGTs each month as the basis for Shipper transportation billing. The iGTs must use the Supply Meter Point portfolios held by The Pipeline Operators' Agent to bill Shippers for the transportation charges on their own iGT networks. This data will only include the Supply Meter Points that can be billed. The Pipeline Operators' Agent data the iGTs must use for billing is only the Supply Meter Point. iGTs will not have to bill using any charging data items on The Pipeline Operators' Agent's portfolio and so can bill from their own.

~~All information required for billing for each Supply Meter point must be populated by the iGTs from their own systems. iGTs can only charge Shippers for Supply Meter Points from the date they become effective on the The Pipeline Operators' Agent database. If a Shipper has not confirmed a Supply Meter point then the iGT can still bill them as the elected Shipper if it is on The Pipeline Operators' Agent's database. The modification will not expose the iGTs to data that has been updated incorrectly outside of their control by Shippers. iGTs should have received all portfolio update data from The Pipeline Operators' Agent by 05:00 on the 1st of each for all updates done during the previous month.~~

This will ensure that there is only one set of Supply Meter Points that is used for billing.

Business Rules

The business rules that this modification is seeking to put in place are as follows:

1. iGTs must use Supply Meter Points that are held on the Pipeline Operators' Agent's Supply Point Register for billing Shippers.
2. The Pipeline Operators' Agent's data the iGTs must use for billing is only the Supply Meter Point. iGTs will not have to bill using any charging data items on the Pipeline Operators' Agent's Supply Point Register and so can bill from their own database.

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4. Relevant Objectives

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Impact of the modification on the Relevant Objectives:	
Relevant Objective	Identified impact
a) Efficient and economic operation of the pipe-line system.	None
b) Coordinated, efficient and economic operation of (i) the combined pipe-line system, and/ or (ii) the pipe-line system of one or more other relevant gas transporters.	None
c) Efficient discharge of the licensee's obligations.	None
d) Securing of effective competition: (i) between relevant shippers; (ii) between relevant suppliers; and/or (iii) between DN operators (who have entered into transportation arrangements with other relevant gas transporters) and relevant shippers.	Positive
e) 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.	None
f) Promotion of efficiency in the implementation and administration of the Code.	Positive
g) 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.	None

The Proposer considers that this Modification would facilitate:

Objective 'D'

This modification will help secure ~~completion-competition~~ between Shippers as more accurate charges will incentivise Shippers to want to ship gas to iGT sites.

Objective 'F'

As there will only be one data set used for billing purposes there will not be a requirement for Shippers to have to maintain two sets of data – ~~purposes~~ and having to compare their own data with both The Pipeline Operators' Agent's and the IGTs'.

5. Impacts and Costs

~~The costs of implementation of this modification will be identified when the system and process impacts have been developed~~ No significant impacts or costs were identified by the Workgroup.

6. Likely Impact on Consumers

No impact on consumers is anticipated as result of this modification

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7. Likely Impact on Environment

No impact on the environment is anticipated as result of this modification.

8. Implementation

~~Implementation costs are not available at this stage.~~

This modification is required to be implemented at a date that will mandate the invoices issued for the first month after ~~4 months after~~ the Project Nexus go live date to be produced according to these arrangements ~~allow for a period of data correction between the iGTs and the Pipeline Operators' Agent~~ following the introduction of Single Service Provision..

9. Legal Text

Suggested legal text is a follows:

Legal Text

Part G

4.9 Where an invoice is issued to a Pipeline User that relates to use of a Pipeline for the period commencing on or after the 1st ~~October 2016~~ February 2017 the iGT UNC Operator must ensure that any Transportation Charges for a Supply Meter Point are only included in the invoice where the Supply Meter Point is ~~recorded, registered~~ in the name of that ~~elected~~ Pipeline User by the Pipeline Operator Agency for the entire period to which the Transportation Charges relate.

4.10 Where a Supply Meter Point is ~~recorded, registered~~ in the name of an elected Pipeline User by the Pipeline Operator Agency for the entire period to which the Transportation Charges relate then that Pipeline User is liable to pay such Transportation Charges.

10. Recommendation

The Proposer invites the Panel to:

- Determine that this modification should not be subject to self-governance;
- Determine that this modification should progress to Workgroup assessment.

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