

Modification Report
Daily Meter Reading - Impacts of the Review of Gas Metering Arrangements (RGMA)
Modification Reference Number 0674
Version 1.0

This Modification Report is made pursuant to Rule 7.3 of the Modification Rules and follows the format required under Rule 8.9.3.

1. The Modification Proposal

Modification of the Network Code is required to incorporate changes required to facilitate maintenance of the current Daily Read Metering regime in a liberalised metering market.

The following are the principal requirements identified by the Daily Meter Reading (DM) sub-group of the SPA/Metering Workstream:

- Measures to ensure that a Supply Meter Installation is suitable for Daily Read Equipment to be connected to it.
- Measures to ensure that Transco is able to install and make operational Daily Read Equipment.
- Measures to ensure that Transco is able to inspect and maintain such equipment.
- Measures required in the event of Works being carried out on the Supply Meter Installation.
- Measures to be taken by Transco where Daily Read Equipment is unavailable at a New Supply Meter Point.
- Measures required for Transco to determine Daily Reads in the event that Daily Read Equipment is unavailable.
- Removal of redundant provisions relating to access to Transco's Daily Read Equipment.
- Amendments to the provisions governing the supply of Daily Meter Readings to Users including:
 - Definition of a Performance Relevant Supply Meter.
 - Measures required in the event of failure of the Supply Meter Installation.
- Miscellaneous enhancements to the 'Daily Read Error' provisions.
- Miscellaneous minor amendments in the following areas:
 - Preheating offtake.
 - Supply Point Offers.
 - Partial Interruption.

2. Transco's Opinion

This Modification Proposal is one of a suite of, and is complimentary to, seven relating to the Review of Gas Metering Arrangements (RGMA) programme and numbered 0672 - 0678.

It is Transco's opinion that this Modification Proposal should be implemented.

Transco's Network Code currently requires that it provides Users with Meter Readings in respect of Daily Metered (DM) Supply Meter Points on a daily basis (after the day). Ofgem has previously expressed a view

that the Network Code might be modified to allow Users to choose alternative DM meter reading service providers.

As part of a programme to facilitate competition in gas metering and meter reading services, a sub-group of the Supply Point & Billing Workstream was established in December 2000 to determine the future structure of the Network Code Daily Read regime and identify any Network Code modifications that may be required to facilitate its development.

Extensive research has been undertaken by the sub-group which enabled the nature and underlying complexity of the existing Network Code Daily Read regime to be identified.

The sub-group established its view that:

- The data collected by dataloggers attached to Daily Read meters is primarily used for gas transportation purposes. It is therefore logical that the Gas Transporter should be responsible for procurement of this data.
- The net benefits from fully unbundling Daily Meter Reading (i.e. transferring responsibility for read procurement from Transco to Users) are doubtful given the size and structure of the market and the likely investment required to introduce and sustain such a regime.
- In consideration of the above, priority should be placed on the key metering competition deliverables, for example meter asset and ownership unbundling.

Given the above considerations, the sub-group concluded that it was appropriate that the current DM regime be sustained. This would, however, require modification of the Network Code to reflect third party ownership of meters and ensure Transco continues to be able to procure Daily Meter Readings.

A recommendation of the DM unbundling sub-group was that the existing DM pricing structure and price controls should be modified to reflect that data procured as part of the Daily Read Requirement is used primarily for transportation purposes. This regime would feature:

- All relevant costs being recovered via transportation charges as opposed to the existing Metering and Meter Reading forms of control.
- DM shippers should only directly bear costs associated with Transco making meter reads available to them.

Ofgem has subsequently advised Transco that it is not minded to reassign DM meter reading related revenue from the relevant price controls to the LDZ form of control. No changes to the existing DM pricing arrangements within the Network Code are therefore proposed.

The implications of Ofgem's communication to Transco were discussed with Users at two Network Code/RGMA Drafting Review meetings held on 14th and 20th January 2004. This culminated in a number of minor revisions to the relevant business rules to reflect the retention of the existing DM pricing regime. All business rules are attached.

If this Modification Proposal is not implemented, Transco's ability to obtain Daily Meter Readings as a prerequisite for meeting its Network Code obligations may be compromised by an inability for it to attach and maintain Daily Read Equipment.

3. Extent to which the proposed modification would better facilitate the relevant objectives

The purpose of this Modification Proposal is to ensure that the Network Code Daily Metering regime reflects the liberalised supply metering market and is consistent with the requirements of the RGMA programme. Of specific importance is the implementation of contractual measures to safeguard Transco's Network Code obligations with respect to procuring Daily Read data and provision of Daily Reads to Users. The measures identified within this Modification Proposal are consistent with Transco's GT Licence Relevant Objective of facilitating the efficient and economic operation by the licensee of its pipe-line system.

**4. The implications for Transco of implementing the Modification Proposal , including
a) implications for the operation of the System:**

No implications for the operation of the system have been identified.

b) development and capital cost and operating cost implications:

Transco would incur costs in amending its UK-Link system. Minor administrative costs would also be incurred as a consequence of implementing this Modification Proposal.

c) extent to which it is appropriate for Transco to recover the costs, and proposal for the most appropriate way for Transco to recover the costs:

Transco does not propose any additional cost recovery.

d) analysis of the consequences (if any) this proposal would have on price regulation:

As described above, a recommendation of the DM unbundling sub-group was that the existing DM pricing structure and price controls should be modified to reflect that data procured as part of the Daily Read Requirement is used primarily for transportation purposes. Given Ofgem's advice to Transco that it is not minded to reassign DM meter reading related revenue from the relevant price controls to the LDZ form of control, no changes to the existing DM pricing arrangements within the Network Code are proposed.

5. The consequence of implementing the Modification Proposal on the level of contractual risk to Transco under the Network Code as modified by the Modification Proposal

Implementation of this Modification Proposal would not increase the level of Transco's contractual risk.

6. The development implications and other implications for computer systems of Transco and related computer systems of Users

Transco would be required to make changes to its UK-Link system. Transco believes that it is unlikely that changes to Users' systems would be required.

7. The implications of implementing the Modification Proposal for Users

Implementation of this Modification Proposal may require changes to Users' administrative processes and procedures.

8. The implications of implementing the Modification Proposal for Terminal Operators, Consumers, Connected System Operators, Suppliers, producers and, any Non-Network Code Party

No such implications have been identified.

9. Consequences on the legislative and regulatory obligations and contractual relationships of Transco and each User and Non-Network Code Party of implementing the Modification Proposal

No such consequences have been identified.

10. Analysis of any advantages or disadvantages of implementation of the Modification Proposal

Advantages:

- Clarifies the contractual obligations of Users and Transco with respect to the procurement of daily read data by Transco.
- Ensures that Transco is able to continue to procure daily read data with respect to Daily Read Supply Meters.

Disadvantages:

- No disadvantages have been identified.

11. Summary of the Representations (to the extent that the import of those representations are not reflected elsewhere in the Modification Report)

Four representations were received with respect to this Modification Proposal. Three respondents express support for its implementation and one does not express a view.

One respondent has provided comments on the legal text. These are detailed below with Transco's response:

Provision	Comment

G1.5.10	<p>The words “the User has submitted paragraph 7.3.5 and” have not been deleted in accordance with the Business Rules.</p> <p><u>This is current Code drafting and has not been changed which reflects discussion at the recent drafting review meetings which determined that current read arrangements should remain until the transfer of pricing arrangements issue is resolved.</u></p>
G1.5.11(a)	<p>The words “and the installation will not be Siteworks” have not been deleted in accordance with the Business Rules.</p> <p><u>As above.</u></p>
G1.5.13	<p>The words “(pursuant to paragraph 7.3.5)” have not been deleted in accordance with the Business Rules.</p> <p><u>As above.</u></p>
M4.1.5	<p>Add “and” before part (b).</p> <p><u>Transco agrees - drafting has been changed.</u></p>
M4.1.11	<p><i>I am not clear where this is referred to in the Business Rules. Please confirm if this is acceptable.</i></p> <p><u>See Business Rule K Section 8.</u></p>
M4.1.12	<p>Delete “all” before “reasonable” to be consistent with the Business Rules.</p> <p><u>Transco agrees - drafting has been changed.</u></p>
M4.7.2	<p><i>The Business Rules refer to this being deleted.</i></p> <p><u>Transco believes that there is no point in transferring M4.7.2 to M4.1.10(d) as this will mean putting "Not Used" in its place or renumbering. Also, as drafted, the obligation relates to check reads and is easy to follow. Although Transco is aware of the Business Rule it considered that the provision should remain as the Business Rules makes no substantive removal or change.</u></p>
M4.8.3	<p><i>The words in (f) used to appear at the end of (b)(ii). I think this amendment works.</i></p> <p><u>Transco is not sure what is being referred to here?</u></p>
M4.8.5(a)(ii)(1)	<p>In line 2, “determined”.</p> <p><u>No such reference exists. Transco cannot find any anomaly but a correct reference to "determined " exists in 4.8.5.(b)(ii)(1).</u></p>
M5.1.1(e)	<p>Add “in respect of such Performance Relevant Supply Meter” after “Valid Meter Reading”.</p>

	<p>“Valid Meter Reading”.</p> <p><u>Transco agrees - drafting has been changed.</u></p> <p>In part (i), add “relevant” before “Supply Meter”.</p> <p><u>Transco agrees - drafting has been changed.</u></p> <p>In part (ii), delete everything after “4.1.10” and replace with “in respect of such Performance Relevant Supply Meter”.</p> <p><u>Transco does not agree – but has made a small change to the drafting to add ‘in respect of’.</u></p> <p>In part (iii), add “in respect of such Performance Relevant Supply Meter” after “Meter Information”.</p> <p><u>Transco agrees - drafting has been changed.</u></p>
M5.1.3(b)	<p>After “failure” add “or unavailability”.</p> <p><u>Transco agrees - drafting has been changed.</u></p> <p><i>Is the deletion of old (b) acceptable?</i></p> <p><u>Yes - its relevant to the Supply Meter</u></p>
Business Rule (J) 7	<p><i>Where has this been implemented?</i></p> <p><u>Previously determined by Asset/Work sub-group that appraisal provisions would not apply. Redundant business rules have been removed.</u></p>
Business Rule (K) 8	<p><i>Where has this been implemented?</i></p> <p><u>M4.1.11 (see above).</u></p>

12. The extent to which the implementation is required to enable Transco to facilitate compliance with safety or other legislation

Implementation is not required to facilitate such compliance.

13. The extent to which the implementation is required having regard to any proposed change in the methodology established under Standard Condition 4(5) or the statement furnished by Transco under Standard Condition 4(1) of the Licence

This Modification Proposal is not required to facilitate any such change.

14. Programme of works required as a consequence of implementing the Modification Proposal

Transco would be required to make changes to its UK-Link system to facilitate implementation of this Modification Proposal.

15. Proposed implementation timetable (including timetable for any necessary information systems changes)

This Modification Proposal should be implemented effective from 12 July 2004, this being the RGMA 'cutover' date.

16. Recommendation concerning the implementation of the Modification Proposal

Transco recommends that this Modification Proposal be implemented.

17. Restrictive Trade Practices Act

If implemented this proposal will constitute an amendment to the Network Code. Accordingly the proposal is subject to the Suspense Clause set out in the attached Annex.

18. Transco's Proposal

This Modification Report contains Transco's proposal to modify the Network Code and Transco now seeks direction from the Gas & Electricity Markets Authority in accordance with this report.

19. Text

Section G - SUPPLY POINTS

1.5 Daily Read Metering

1.5.1 Subject to paragraphs 1.5.5, 1.5.6(c) and 1.5.12(c) a Supply Meter Point shall be classified as a DM Supply Meter Point where:

(a) the Supply Meter Point is Daily Read in accordance with M1.3.1, or paragraph 1.5.13 applies, and

(b) either

(i) the Daily Read Requirement applies; or

(ii) an election pursuant to paragraph 1.5.6(c) is in force in relation to such Supply Meter Point

1.5.2 Subject to paragraph 1.5.4, the Daily Read Requirement shall apply in respect of:

~~(a)(i)~~ each relevant Supply Meter Point comprised in any Supply Point whose Annual Quantity is greater than 58,600,000 kWh (2,000,000 therms);

~~(b)(ii)~~ each relevant Supply Meter Point comprised in an Interruptible Supply Point; and

~~(c)(iii)~~ each Supply Meter Point which is an NTS Supply Point.

1.5.3 For the purposes of paragraph 1.5.2:

~~(a)(i)~~ the "**Daily Read Requirement**" is the requirement that the Supply Meter at a Supply Meter Point shall be Daily Read;

~~(b)(ii)~~ a relevant Supply Meter Point is a Supply Meter Point in respect of which the Annual Quantity is greater than 2,196,000 kWh (75,000 therms).

1.5.4 If Transco determines and notifies the Registered User that it would not be practicable or economic for Supply Meters at a particular Supply Point to be Daily Read, unless upon application (made within 10 Business Days after such notification by the User) the Director shall give Condition 7(4) Disapproval to Transco not installing Daily Read Equipment, the Daily Read Requirement pursuant to paragraph 1.5.3(i) shall not apply, and the Registered User may not make a request under paragraph 1.5.9, in respect of that Supply Point (and for the avoidance of doubt the relevant Supply Meter Points shall be NDM Supply Meter Points).

1.5.5 Where:

~~(a)(i)~~ a Supply Meter Point is a DM Supply Meter Point, and

~~(b)(ii)~~ upon a change in the Annual Quantity of the Supply Meter Point or the Supply Point in which it is comprised, or the Supply Point's ceasing to be an Interruptible Supply Point, the Daily Read Requirement ceases to apply,

the Supply Meter Point shall not be required to be classified as a NDM Supply Meter Point, and in the absence of any Supply Point Confirmation or Reconfirmation, the Supply Meter Point shall continue to be a DM Supply Meter Point, but without prejudice to the entitlement of the Registered User to make a Supply Point Reconfirmation as an NDM Supply Point (to which paragraph 1.5.6 shall apply).

1.5.6 Where a User is, or following a Supply Point Confirmation (including a Reconfirmation) a User becomes, the Registered User of a Supply Meter Point in relation to which the Supply Meter is Daily Read (including pursuant to a request under paragraph 1.5.9), but the Daily Read Requirement does not apply:

(a) subject to paragraph (c), the Supply Meter Point shall be classified as an NDM Supply Meter Point;

(b) except where Daily Read Equipment was installed pursuant to a request under paragraph 1.5.9, Transco may at any time (unless at such time the User has made an election under paragraph (c)) inform the User that it wishes to remove the Daily Read Equipment and having given the User reasonable notice, thereof, remove the Daily Read Equipment at its own expense;

(c) where the Annual Quantity exceeds 73,200 kWh (2,500 therms) the User may elect in accordance with paragraph 1.5.7 that the Supply Meter Point shall be classified as a DM Supply Meter Point.

1.5.7 An election for the purposes of paragraph 1.5.6(c):

(a) shall be made by Nominating the Supply Meter Point as a DM Supply Meter Point:

(i) at the time of the Supply Point Confirmation or Reconfirmation referred to in paragraph 1.5.6; or

(ii) in the case in paragraph 1.5.6(c) only, at any time thereafter, by way of Supply Point Reconfirmation;

(b) shall lapse with effect from the Supply Point Registration Date, where the Registered User or any other User submits a Supply Point Confirmation (including a Reconfirmation) which becomes effective in respect of a Supply Point including the relevant Supply Meter Point (and may be revoked accordingly).

1.5.8 Upon a change in the Annual Quantity of the Supply Meter Point such that the Annual Quantity becomes less than 73,200 kWh (2,500 therms) the Registered User shall be required to reclassify the Supply Meter Point as a NDM Supply Meter Point within 2 months of the change in Annual Quantity.

1.5.9 The Registered User may at any time request (subject to and pursuant to Siteworks Terms and Procedures as described in paragraph 7) that Daily Read Equipment be installed at any Supply Meter Point (other than one whose Annual Quantity does not exceed 73,200 kWh (2,500 therms)).

1.5.10 Where a User submits a Supply Point Nomination in respect of a Proposed Supply Point, with a Supply Meter Point, in relation to which the Supply Meter is not Daily Read, as a DM Supply Meter Point, Transco shall reject such Supply Point Nomination, unless the User has submitted such Supply Point Nomination in accordance with paragraph 7.3.5 and the New Supply Meter Point has been classified as a DM Supply Meter Point in accordance with paragraph 1.5.13.

1.5.11 Subject to paragraph 1.5.4, where (by reason of an increase in the Annual Quantity of a Supply Point or a Supply Meter Point at the start of the Gas Year, or upon a Supply Point being designated as Interruptible) the Daily Read Requirement applies in respect of a Supply Meter Point pursuant to paragraph 1.5.2(i) or 1.5.2(ii), but is not satisfied:

(a) Transco will arrange for the satisfaction of such requirement (by installation of Daily Read Equipment at the relevant Supply Meter), ~~subject to and in accordance with Section M2;~~ as soon as reasonably practicable, and will inform the Registered User when the Daily Read Requirement is satisfied; and the installation for the purposes of this paragraph 1.5.9 of Daily Read Equipment will not be Siteworks;

(b) the relevant date for the purposes of paragraph 1.11.2 shall be the date on which the Supply Meter becomes Daily Read and the period referred to in that paragraph shall be 2 and not 3 months.

1.5.12 Where a User submits (pursuant to the provisions of this paragraph 1.5) a Supply Point Nomination (including a Renomination) pursuant to which an NDM Supply Meter Point is to become a DM Supply Meter Point:

(a) where in relation to any Supply Meter Point to be comprised in the DM Supply Point Component:

(i) the Supply Meter was Daily Read during the period of 12 months preceding the date of submission of the Supply Point Nomination, and

(ii) Transco and the User have not agreed that insufficient Valid Meter Readings (in accordance with Section M4) were obtained in the months of October to May in such period of 12 months,

the Nominated Supply Point Capacity shall be not less than the Preceding Year Maximum Quantity in accordance with paragraphs 5.2.3 and 5.2.4, but paragraph 5.2.3(b) shall be read as though references to a Supply Meter Point being DM were to the relevant Supply Meter being Daily Read;

(b) where paragraph (i) does not apply, the Nominated Supply Point Capacity shall not be less than the User's estimate (made in good faith and after all appropriate enquiries of the consumer and on the basis of reasonable skill and care) of the maximum quantity of gas to be offtaken from the System at the DM Supply Point Component on any Day in the next 12 months, on the basis of reasonable assumptions as to weather conditions; and

(c) the Supply Meter Point will become a DM Supply Point with effect from the Supply Point Registration Date.

1.5.13 Without prejudice to the other provisions of paragraph 1.5, a New Supply Meter Point which (pursuant to paragraph 7.3.5) is included in a Supply Point shall be classified as a DM Supply Meter Point, even though the Supply Meter is not Daily Read, where there is a Daily Read Requirement in accordance with paragraph 1.5.2 in respect of the Supply Meter at the Supply Meter Point but for any reason (other than due to an act or omission of the Registered User) Daily Read Equipment is not installed at the Supply Meter, or if installed is not operational in accordance with Section M4.1.7.

6.10 PARTIAL INTERRUPTION

6.10.2 Transco may allow Partial Interruption at an Interruptible Supply Point provided that the following rules are satisfied:-

(a) the User (or Sharing Registered Users) shall specify the number of Tranches which it requires at the Supply Point, such number shall not exceed 9;

(b) each Tranche Annual Quantity shall not be less than 5,860,000kWh (200,000 therms);

(c) an application may be made by the User (or Sharing Registered Users) to Transco for a Partial Interruption status at a Supply Point at any time, for a period not exceeding 12 months, commencing on or after the operational date requested by the User (or Sharing Registered Users) and ending on the next 30th September;

(d) Transco shall accept or reject all applications for Partial Interruption within 10 Business Days of their receipt by Transco from a Registered User or the Sharing Registered Users Agent as appropriate; and

(e) Daily Read Equipment has been installed by Transco at the Supply Point prior to the commencement of Partial Interruption status. ~~Where requested by Transco, Daily Read Equipment shall be installed by the Registered User (or in the case of a Shared Supply Meter Point by the Sharing Registered User, the identity of which has been notified to Transco by the Sharing Registered Users Agent) at the Supply Point prior to the commencement of Partial Interruption status~~

7 NEW SUPPLY METER POINTS AND OTHER SITEWORKS

7.1 General

7.1.1 For the purposes of the Code:

- (a) a **"New Supply Meter Point"** is a new Supply Meter Point;
- (b) **"Siteworks"** means works undertaken by Transco at the request of a User or other person in connection with the System for the purposes of:
 - (i) the establishment of a New Supply Meter Point; ...
 - (v) furnishing, installing, removing, making operational and/or maintaining Daily Read Equipment;

Section M - SUPPLY POINT METERING

4 DAILY READ SUPPLY METERS

4.1 Daily Read Equipment

4.1.1 Subject to paragraph 4.9, for the purposes of the Code **"Daily Read Equipment"** is equipment, of a design and standard of manufacture specified (consistently with any Legal Requirement) by Transco for the purposes of this Section, which enables Meter Readings to be obtained by Transco remotely at set intervals.

4.1.2 Daily Read Equipment comprises:

(a)(i) a device for capturing from the Supply Meter, and/or (where installed) a convertor, data which constitutes or permits the derivation of a Meter Reading; and

(ii) a telephone line or radio transmitter and/or such other equipment as shall be required for transmitting such data to Transco in accordance with the relevant requirements of the UK Link Manual.

~~4.1.3 Daily Read Equipment is required to be designed to be capable of enabling Meter Readings to be obtained at intervals of 6 minutes (and greater intervals) and of having the intervals at which Meter Readings are obtained set remotely (by means of the equipment referred to in paragraph 4.1.2(ii)).~~ Not Used

4.1.4 Daily Read Equipment may (where designed to be capable of such installation) be installed in connection with more than one Supply Meter at a single Supply Point Premises.

4.1.5 ~~Where installation of Daily Read Equipment is required pursuant to Section G 1.5 or 6.10.2(e) Unless otherwise agreed between Transco and a User, Transco will~~ have the sole entitlement and (in accordance with paragraph 2.2) be responsible for:

~~(a)(i) furnishing, installing, removing, making operational and maintaining Daily Read Equipment (including its connection or reconnection to the Supply Meter Installation); and~~

~~(b)(ii) repairing or replacing the Daily Read Equipment where such repair or replacement is necessary as a result of the failure (including by reason of damage, normal wear or tear or defective design or manufacture) thereof.~~

4.1.6 Where Transco furnishes or has furnished Daily Read Equipment, with effect from the date upon which the relevant Supply Meter Point becomes a DM Supply Meter Point, the Registered User shall (unless the cost thereof has been paid pursuant to a Siteworks Contract) pay the appropriate charges in accordance with the Metering Charges Statement.

4.1.7 Daily Read Equipment installed at a Supply Meter Point will be treated as being operational (for the purposes of paragraph 1.3.1) with effect from the later of:

- (ia) the Day on which Transco notifies the Registered User that the equipment is operational, and

(#b) the first Day on which Transco provides to the User a Valid Meter Reading obtained by means of such equipment.

4.1.8 Subject to Section G 1.5.4, where a New Supply Point has been classified in accordance with Section G1.5.13, Transco will, as soon as reasonably practicable, furnish, install, make operational and maintain Daily Read Equipment at the relevant Supply Meter, ~~subject to and in accordance with Section M2,~~ and will inform the Registered User when Daily Read Equipment has been installed and made operational in accordance with paragraph 4.1.7. In the event of undue delay being experienced, Transco will:

(a) promptly notify the Registered User of the nature of the delay and of an expected timescale for resolution;

(b) ensure that the Registered User is regularly advised of progress and promptly notified when the Daily Read Equipment has been installed and made operational.

4.1.9 Where Transco is unable to obtain or install the telephone line or experiences undue delay in obtaining or installing it and this is not due to the act or omission of any other person then where practicable Transco will install a radio transmitter provided there is a suitable site at the Supply Point Premises for such purposes and security as may be required.

4.1.10 Where requested by Transco, the Registered User will:

(a) procure permission and access for Transco to:

(i) install and make operational the Daily Read Equipment;

(ii) attach the Daily Read Equipment to the Supply Meter Installation;

(b) facilitate inspection and maintenance and any activity referred to in paragraph 4.1.5 by Transco as required for the purposes of keeping such equipment operational (including any requirement for resynchronisation and/or adjustment);

(c) procure that a suitable site including support, protection and security for the Daily Read Equipment is available at the Supply Point Premises.

4.1.11 Where the Registered User intends, or becomes aware that the consumer or any other person intends, to undertake works on the Supply Meter Installation (or any part of it) which will or is likely to impact on the ability of Transco to obtain accurate and timely Valid Daily Meter Readings then:

(a) the Registered User will use reasonable endeavours, to notify Transco at least two Business Days prior to the commencement of such works:

(i) of the date when disconnection of Daily Read Equipment from such Supply Meter Installation will occur and subject to (ii) such date will be the date when reconnection of Daily Read Equipment to the Supply Meter Installation is required;

(ii) of the date when reconnection of Daily Read Equipment to the Supply Meter Installation is required if different from (i),

(b) Transco will within two Business Days of the reconnection date stated in (ii) use reasonable endeavours to reconnect and resynchronise its Daily Read Equipment with the Supply Meter Installation.

4.1.12 The Registered User shall take reasonable steps to secure that the Daily Read Equipment is not damaged or otherwise mistreated.

4.1.13 Ownership of the Daily Read Equipment shall remain with Transco (or any person to whom Transco may transfer ownership).

4.2 Daily Meter Readings

4.2.1 Where a Supply Meter is Daily Read:

(a) Transco will obtain (and the User authorises Transco to obtain) by means of the Daily Read Equipment (where it is operational) a Meter Reading for the start and for the end of each Day;

(b) Transco may so obtain Meter Readings at other times within the Day.

4.2.2 Transco is responsible for validation of the Meter Readings in accordance with paragraph 1.5.

4.2.3 In respect of a Daily Read Supply Meter:

(i) **"Daily Meter Readings"** for a Day are Meter Readings obtained by Transco in accordance with paragraph 4.2.1(a) for the start and the end of the Day;

(ii) subject to paragraphs (c)(iii) and 4.8 **"Valid Meter Readings"** for a Day are Daily Meter Readings which have been subject to and not rejected by validation in accordance with paragraph 1.5, and are provided to the relevant User in the format and by the means specified in the UK Link Manual;

(iii) the Daily Meter Reading for the start of a Day will not be a Valid Meter Reading if it differs from the Valid Meter Reading for the end of the preceding Day.

(iv) the User will pay appropriate charges in accordance with the Meter Reading Charges Statement in respect of such Daily Meter Readings obtained by Transco.

4.2.4 In relation to a DM Supply Meter Point so classified in accordance with Section G1.5.13, Transco shall use all reasonable endeavours to obtain Meter Readings by procuring On-Site Meter Reads, for each Day commencing with the Supply Point Registration Date; and the Registered User shall cooperate with Transco in relation thereto.

4.2.5 When the Supply Meter at the DM Supply Meter Point classified in accordance with Section G1.5.13 becomes a Daily Read Supply Meter Transco will obtain Meter Readings in accordance with paragraph 4.2.1.

4.2.6 When Transco cannot obtain Meter Readings under paragraph 4.2.4 for the Supply Point Registration Date or for any of the six consecutive Days thereafter, then for each Day for which Meter Readings are not obtained the Metered Quantity shall be deemed to be the Annual Quantity for the DM Supply Point divided by 365, and the Metered Volume determined (by reference to the relevant calorific value) accordingly, but thereafter paragraph 4.4. shall apply as though a Meter Reading obtained under paragraph 4.2.4 were a Valid Meter Reading obtained from Daily Read Equipment.

4.3 Metered Volume and Metered Quantity calculation

Subject to paragraph 4.4, Transco will calculate for each Daily Read Supply Meter each Day:

(a) the Metered Volume, by reference to the Valid Meter Readings for the Day obtained in accordance with paragraph 4.2.1(a) or by reference to the Meter Readings for the Day obtained in accordance with paragraph 4.2.4.

(b) the Metered Quantity, by reference to the Metered Volume.

4.4 Failure to obtain meter readings

4.4.1 Subject to paragraph 4.8, Valid Meter Readings for a Day obtained from Daily Read Equipment at any time up to and including the Exit Close Out Date will be used for the purposes of paragraph 4.3.

4.4.2 Where for any Day (a "**Failed Daily Read Day**") Valid Meter Readings for the Day are not obtained by the Exit Close-Out Date:

(a) the Metered Volume for the Failed Daily Read Day shall (irrespective in the case of a Supply Meter Point comprised in an Interruptible Supply Point of whether Interruption was required on the Day or the same Day in the preceding week) be assumed to be the same as the Metered Volume (whether determined under paragraph 4.3(a)-4 or this paragraph 4.4.2) for the same Day in the immediately preceding week;

(b) ~~(b)~~ there will be a subsequent DM Reconciliation in accordance with Section E6.

4.4.3 Where a Day is a Failed Daily Read Day, except in the circumstances in paragraph 4.4.5(a), irrespective of the Metered Quantity derived from the assumed Metered Volume determined under paragraph 4.4.2, the Day shall not be a Ratchet Day (in accordance with Section B4.7).

4.4.4 After a Failed Daily Read Day, upon the restoration of operation of the Daily Read Equipment (except where paragraph 1.10 applies), Transco will determine:

~~(a)(i)~~ the volume offtaken on such Day, by reference to a Valid Meter Reading then obtained, in accordance with paragraph 4.4.5;

~~(b)(ii)~~ for the purposes of DM Reconciliation, the amount (the "**Failed Daily Read Reconciliation Volume**") by which the Metered Volume assumed under paragraph 4.4.2 is greater (in which case such amount shall be positive) or less (in which case such amount shall be negative) than the volume determined under paragraph ~~(a)(i)~~.

4.4.5 For the purposes of paragraph 4.4.4~~(a)(i)~~:

(a) where:

(i) the reason for the earlier failure to obtain Valid Meter Readings for the Failed Daily Read Day was the failure of that part of the Daily Read Equipment referred to in paragraph 4.1.2~~(b)(ii)~~ and not the part referred to in paragraph 4.1.2~~(a)(i)~~, and

(ii) accordingly, Valid Meter Readings are later obtained for the Failed Daily Read Day,

the volume offtaken on the Day shall be the Metered Volume determined on the basis of such Valid Meter Readings;

(b) except as provided in paragraph (a):

(i) the Metered Volume for the period of all of the consecutive Failed Meter Read Days will be determined (on the basis of the Valid Meter Reading obtained for the start of the first such Day and for the end of the last such Day under paragraph 4.3 or paragraph (a) above);

(ii) such Metered Volume will be apportioned between such Days in the proportions of the assumed Metered Volumes under paragraph 4.4.2.

4.5 Provision of Meter Readings to Users

Paragraph 5 shall apply in respect of the provision by Transco to Users of Meter Readings from Daily Read Supply Meters.

4.6 User or consumer access to Daily Read Equipment

4.6.1 ~~Subject to paragraph 4.6.2, Where~~ Daily Read Equipment is furnished and installed by Transco in accordance with paragraph 4.1.5, Transco will, upon request by the Registered User and provided it is operationally

feasible to do so: make available to the Registered User, readings received from the Daily Read Equipment in respect of each hour of a Day, and provide such readings to the User at four hourly intervals.

~~(i) permit an arrangement whereby either the User or the consumer (but not both) shall have access to the Daily Read Equipment for the purposes of obtaining directly readings from the Supply Meter Installation.~~

~~(ii) make available to the User, readings received from the Daily Read Equipment in respect of each hour of a Day, and provide such readings to the User at four hourly intervals.~~

~~4.6.2 In any case where an arrangement is permitted under paragraph 4.6.1 (i):~~

~~(i) the Registered User shall bear or secure that the consumer bears all costs incurred in connection with such arrangement, and shall secure that such arrangement will not interfere with the Supply Meter Installation or its operation, or with the obtaining of Meter Readings under paragraph 4.2.~~

~~(ii) such arrangement shall not be taken as implying any contractual relationship between Transco and the consumer. Not Used~~

4.6.3 Data obtained by the Registered User or consumer under paragraph 4.6 shall have no significance for the purposes of the Code.

4.7 DM Check Read

4.7.1 Transco will at intervals of approximately 12 months, or as soon as reasonably practicable following a Supply Meter Point first becoming a Shared Supply Meter Point, and may on other occasions on which it undertakes an inspection, repair or maintenance of the Daily Read Equipment, arrange an On-Site Meter Read (a "**DM Check Read**") in respect of each Daily Read Supply Meter.

4.7.2 The Registered User shall use best endeavours to secure that Transco is given such access to the Supply Point Premises and the Supply Meter as it reasonably requires to carry out a DM Check Read.

4.7.3 In respect of any DM Check Read the Metered Volume will be determined by reference to the period to the date of such Meter Read from the date of the preceding DM Check Read.

4.7.4 Where upon a DM Check Read the Metered Quantity differs from the sum (the "**previous metered quantity**") of the Metered Quantities determined in accordance with the foregoing provisions of this paragraph 4 (including paragraph 4.4) for each Day of the period referred to in paragraph 4.7.3 by more than 100,000 kWh (3,413 *therms*), Transco will determine and notify to the Registered User:

~~(a)(i)~~ the amount of such difference; and

~~(b)(ii)~~ for each Day in such period, a part (the "**DM Check Reconciliation Volume**", which shall be positive where the previous metered quantity exceeds the Metered Quantity in respect of the DM Check Read, and otherwise negative) of the amount determined under paragraph ~~(a)(i)~~, in accordance with paragraph 4.7.5.

4.7.5 For the purposes of paragraph 4.7.4~~(b)(ii)~~ the amount determined under paragraph 4.7.4~~(a)(i)~~ will be apportioned to Days in the relevant period in the same proportions as the Metered Volumes determined for such Days under paragraph 4.2 and 4.4.

4.7.6 DM Reconciliation in respect of the DM Check Reconciliation Volume for each Day will be carried out in accordance with Section E6.3.

4.8 Daily Read Errors

4.8.1 For the purposes of this paragraph 4.8:

(a) there is a **"Daily Read Error"** in respect of a Daily Read Supply Meter on a Day where, by reason of the Daily Read Equipment not functioning correctly, and not by reason of a failure of any other part of the Supply Meter Installation, the volume of gas which is determined on the basis of the Daily Meter Readings provided by Transco to the User (pursuant to paragraph 4.5) differs from the metered consumption;

(b) **"metered consumption"** is the volume of gas which was offtaken from the System at the Supply Meter Point on the Day, as registered by the Supply Meter and any convertor (and not what is determined by reference to the Daily Meter Readings obtained by the Daily Read Equipment);

(c) where the Supply Meter Installation includes a convertor, references to volume are to volume as converted for temperature and/or pressure by such convertor;

(d) Daily Read Equipment functions correctly where it functions within a tolerance of accuracy of 1%;

~~(e)~~(d) a reference to Daily Read Equipment shall include a reference to the elements of UK Link by which messages sent by Daily Read Equipment located at the Supply Point Premises are processed and submitted as Daily Meter Readings to the Registered User.

4.8.2 In respect of any Day (a **"Daily Read Error Day"**), other than a Failed Daily Read Day, a User may until the 5th Day after the Day on which Transco provided to the User the Daily Meter Readings in respect of a Relevant Daily Read Supply Meter, give notice (**"Daily Read Error Notice"**) to Transco:

~~(a)~~(i) to the effect that (notwithstanding validation under paragraph 1.5) the User considers that there was a Daily Read Error on the Day; and

~~(b)~~(ii) specifying the volume (the **"User Volume Estimate"**) which the User considers to have been the metered consumption on the Day.

4.8.3 Where a User gives a Daily Read Error Notice:

(a) Transco will, as soon as reasonably practicable and wherever possible within 3 Business Days after such notice, ascertain whether the elements of UK Link referred to in paragraph 4.8.1(e) are functioning correctly, and (if they are) visit and (subject to being given sufficient access to the Supply Meter Installation and/or the Daily Read Equipment) inspect the Daily Read Equipment;

(b) upon or as soon as reasonably practicable after its inspection, Transco will provide to the User a notice stating:

(i) whether in Transco's judgement the Daily Read Equipment is functioning correctly; and

(ii) where in Transco's ~~its~~ judgement the Daily Read Equipment is not functioning correctly, Transco's estimate (the **"Transco Volume Estimate"**), in accordance with paragraph 4.8.4 where applicable, and after taking account of the User Volume Estimate, of what was the metered consumption for the Daily Read Error Day, and the basis for its estimate;

(c) notwithstanding the Daily Read Error Notice and Transco's notice under paragraph (b), except as provided in paragraph 4.8.8 the volume determined by reference to the Daily Meter Readings will be used to determine the User's UDQO for the purposes of the Code;

(d) subject to paragraph (c), and unless otherwise agreed, Transco's statement under paragraph (b) will be final and its estimate will apply for the purposes of paragraph 4.8.10 unless within 5 Business Days after Transco's notice under paragraph (b) the User gives notice ("rejection notice") to Transco ~~within 5 Business Days after Transco's notice~~ that the User does not accept Transco's judgement under paragraph (b)(i) or its estimate under paragraph (b)(ii);:-

(e) upon receiving the rejection notice, Transco will enter into a dialogue with the User to attempt to resolve the difference. Where such resolution is not promptly achieved and in any event within 5 Business Days following receipt of the rejection notice, paragraph 4.8.6 will apply;

(f) Where correction of the fault (by repair or replacement of the Daily Read Equipment) is not possible at the same time as the inspection, Transco will correct such fault as soon as possible following such inspection.

4.8.4 Where the Daily Read Equipment is found not to be functioning correctly, and it is not apparent when the equipment started to function incorrectly, unless Transco and the User otherwise agree it shall be assumed (for the purposes of estimating the metered consumption for the Daily Read Error Day) that such equipment started to function incorrectly half way through the period from when the equipment was last inspected by Transco (whether pursuant to this paragraph 4.8 or any annual or other maintenance inspection) to the Day of Transco's inspection under paragraph 4.8.3(a).

4.8.5 The costs and expenses incurred by Transco in carrying out the inspection pursuant to paragraph 4.8.3(a) shall be borne:

(a) by the User, if the amount of the User Volume Estimate differs from the volume determined by reference to the Daily Meter Readings by less than 10%; ~~by the User;~~

(b) except as provided in paragraph (a), ~~and subject to paragraph (c):~~

(i) where the User did not give a rejection notice:

(1) by the User where in Transco's judgement the Daily Read Equipment was functioning correctly, and

(2) otherwise by Transco;

(ii) where the User gave a rejection notice:

(1) by Transco, where it was agreed or the expert determined that the Daily Read Equipment was not functioning correctly (under paragraph 4.8.6(a)(i)) or it was agreed or the expert determines under paragraph 4.8.6(a)(ii) that the metered consumption was closer to the User Volume Estimate than to the Transco Volume Estimate, and

(2) otherwise by the User;

~~(c) if upon such inspection Transco found that the Supply Meter (or converter) itself is reading erroneously, by Transco (except where Transco is not the owner of the Supply Meter).~~

4.8.6 Where the User gives a rejection notice, then unless Transco and the User agree otherwise:

(a) there shall be referred to Expert Determination the following questions:

(i) whether the Daily Read Equipment was functioning correctly, unless in Transco's judgement (under paragraph 4.8.3(b)(i)) it was not; and

(ii) unless the expert determines that the Daily Read Equipment was functioning correctly, what is the best available estimate (in accordance with paragraph 4.8.4 where applicable) of the metered consumption;

(b) the costs of the expert shall (notwithstanding any contrary provision of Section T) be borne by the User where:

(i) the expert determines (under paragraph (a)(i)) that the Daily Read Equipment was functioning correctly, or

(ii) the metered consumption determined (under paragraph (a)(ii)) by the expert was closer to the Transco Volume Estimate than to the User Volume Estimate;

and otherwise by Transco.

4.8.7 Where:

- (a) a User has submitted a Daily Read Error Notice in respect of a Day;
- (b) the User considers that there was a Daily Read Error in respect of any subsequent Day, up to:
 - (i) the Day of Transco's inspection under paragraph 4.8.3(a), or
 - (ii) (where the Daily Read Equipment is found not to be functioning correctly) the Day of its repair or replacement under paragraph 4.8.11, then unless Transco agrees otherwise the further provisions of this paragraph 4.8 shall not apply in relation to such subsequent Day unless the User gives a Daily Read Error Notice for such Day, but the giving of such notice shall not require a further inspection pursuant to paragraph 4.8.3.

4.8.8 For the purposes of determining the User's UDQO, where a User submits a Daily Read Error Notice not later than the Exit Close-out Date in relation to the Daily Read Error Day:

- (a) if by the Exit Close-out Date:
 - (i) Transco has undertaken an inspection under paragraph 4.8.3(a), and
 - (ii) the User has informed Transco that it accepts the Transco Volume Estimate notified by Transco under paragraph 4.8.3(b);

the value of the Metered Quantity derived from the Transco Volume Estimate shall be substituted for the value of the Metered Quantity derived from the original Daily Meter Readings;

(b) Transco may (before the Exit Close-out Date) by agreement with the User substitute, for the value of the Metered Quantity derived from the original Daily Meter Readings, the value derived from the User Volume Estimate or such other value as Transco and the User shall agree.

4.8.9 Transco may also agree with the User to adjust (for the purposes of determining the User's UDQOs) the Metered Quantity determined for each Day after the first Daily Read Error Day, until the Day referred to in paragraph 4.8.7(b)(i) or (ii), on a basis reflecting an agreed degree of error.

4.8.10 Except in a case where a substituted or adjusted value of the Metered Quantity was (before the Exit Close-out Date) used pursuant to paragraph 4.8.8 or 4.8.9, upon the estimated metered consumption being agreed or established (pursuant to this paragraph 4.8):

~~(a)(i)~~ Transco will determine (as nearly as may be) the Metered Quantity ("**Error Revised Quantity**") for the Day on the basis of such metered consumption;

~~(b)(ii)~~ revisions and adjustments will be made in accordance with Sections B1.11, E3.5 and F1.4.

4.8.11 Where it is agreed or determined that the Daily Read Equipment is not functioning correctly, Transco will at its expense as soon as is reasonably practicable (but subject to paragraph 5.2.3) repair or replace the Daily Read Equipment.

4.8.12 For the purposes of paragraph 5 (and notwithstanding paragraph 4.2.3), where a User gives a Daily Read Error Notice:

- (a) subject to paragraph (b), where:
 - (i) in Transco's judgement (in accordance with paragraph 4.8.3(b)) the Daily Read Equipment is not functioning correctly,

(ii) by agreement between Transco and the User pursuant to paragraph 4.8.8(b) a substituted Metered Quantity has been used, or an estimate of metered consumption, other than the metered consumption derived from the original Daily Meter Readings, has been agreed by Transco and the User for the purposes of paragraph 4.8.10,

the Daily Meter Readings provided in respect of the Daily Read Error Day shall not be Valid Meter Readings;

(b) where the Metered Quantity for any of the next 6 Days following the first Daily Read Error Day has (by agreement between Transco and the User pursuant to paragraph 4.8.9) been adjusted, the Daily Meter Readings provided by Transco for such Days shall be deemed for the purposes of paragraphs 5.2.1 and 5.2.2 to be Valid Meter Readings;

(c) where in Transco's judgement the Daily Read Equipment is functioning correctly and the User gave a rejection notice:

(i) the Daily Meter Readings for the Daily Read Error Day, and (subject to paragraph (ii)) for subsequent Days, shall be Valid Meter Readings (if otherwise valid in accordance with paragraph 4.2.3);

(ii) where the expert determines that the Daily Read Equipment is not functioning correctly, the Daily Meter Readings provided in respect of each Daily Read Error Day, from the Day on which the expert made known his determination to Transco until such time as Transco has repaired or replaced the Daily Read Equipment in accordance with paragraph 4.8.11, shall not be Valid Meter Readings.

4.9 Telemetry equipment

4.9.1 By agreement between Transco and the Registered User or the consumer, telemetry equipment may be installed at a Supply Meter instead of such equipment as is described in paragraph 4.1.2.

4.9.2 Subject to any conflicting provisions of a Supply Point Network Exit Agreement, a reference to Daily Read Equipment includes telemetry equipment where installed at a Supply Meter, and this paragraph 4 shall apply (so far as capable of applying, and except as may otherwise be agreed by Transco and the Registered User or consumer) in respect of such telemetry equipment; but paragraph 5 shall not apply in respect of a Supply Meter at which telemetry equipment is installed.

5 PROVISION OF DAILY READ METER READINGS TO USERS

5.1 General

5.1.1 For the purposes of this paragraph 5:

(a) Subject to paragraphs 5.1.2 and 5.1.3, for any User a "**Performance Relevant Supply Meter**" is:

(i) a Relevant Supply Meter which at the date of the Code was subject to the Daily Read Requirement pursuant to Section G1.5.2(a)(i) or (c)(iii) or (where the request referred to in Section G1.5.7 was made before 1st January 1996) Section G1.5.2(b)(ii), and

(ii) with effect from the date upon which the Supply Meter Point becomes a DM Supply Meter Point, any other Supply Meter at which for the time being Daily Read Equipment is installed and has become operational (in accordance with paragraph 4.1.7),

in either case until such time (if any) at which the Registered User makes an election pursuant to Section G1.5.5 that the Supply Meter cease to be Daily Read;

(b) in relation to a Performance Relevant Supply Meter, Valid Meter Readings (for the start and end of a Day) shall be counted as one Valid Meter Reading;

(c) where a single item of Daily Read Equipment is installed and has become operational (in accordance with paragraph 4.1.7) in connection with more than one Performance Relevant Supply Meter:

(i) Transco will be treated as providing Valid Meter Readings only where it provides a Valid Meter Reading in respect of each such Supply Meter;

(ii) without prejudice to paragraph (i), for all other purposes of this paragraph 5 all of such Supply Meters collectively shall be counted as a single Performance Relevant Supply Meter, and all of the Valid Meter Readings for a Day in respect thereof shall be counted as a single Valid Meter Reading; and accordingly payments made by reference to a Performance Relevant Supply Meter or the number of such Supply Meters shall be made by reference to an item of Daily Read Equipment or the number of such items;

(d) a Performance Relevant Supply Meter will not be treated as one in relation to which Transco did not provide a Valid Meter Reading where Transco was unable to provide a Valid Meter Reading in respect of such Performance Relevant Supply Meter by reason of Force Majeure;

(e) A Performance Relevant Supply Meter will not be treated as one in relation to which Transco did not provide a Valid Meter Reading in respect of such Performance Relevant Supply Meter where Transco was unable to provide a Valid Meter Reading by reason of:

(i) failure or unavailability of the Supply Meter Installation in which the Performance Relevant Supply Meter is contained; or

(ii) Transco being unable to perform any of the activities in paragraph 4.1.5 due to the failure of the Registered User to comply with Transco's request in accordance with paragraph 4.1.10 in respect of its Daily Read Equipment and/or the Supply Meter Installation; or

(iii) Meter Information in respect of such Performance Relevant Supply Meter relevant to the calculation by Transco of the Metered Quantity being absent, out of date or subsequently found to be incorrect, which has or should have been provided in accordance with Section M, paragraph 3.2.

5.1.2 Where:

~~(a)(i)~~ a User has given a Daily Read Error Notice, or it appears to Transco that the Daily Read Equipment may not be functioning correctly,

~~(b)(ii)~~ Transco has, upon reasonable notice to the User, sought to arrange or gain access (pursuant to paragraph 2.2.2(c)(iii)) at a reasonable time to the relevant premises for the purposes of inspecting, and/or repairing or replacing, the Daily Read Equipment but has been unable to gain access to the relevant premises or to the Daily Read Equipment, and

~~(c)(iii)~~ Transco has promptly notified the Registered User, providing details of the circumstances in which it was unable to arrange or gain access, and requesting that such access be arranged at a reasonable time,

the relevant Supply Meter(s) shall not be a Performance Relevant Supply Meter until such time as Transco has been given such access as it may reasonably require for the purposes of such inspection, repair or replacement.

5.1.3 Where, upon an inspection (pursuant to a Daily Read Error Notice or otherwise) of Daily Read Equipment, Transco finds that there is a failure or unavailability of the Supply Meter Installation and this the Reed Switch is not functioning correctly, or is the cause of the Daily Read Equipment not functioning correctly:

~~(a) (a)~~ Transco shall so notify the Registered User promptly as soon as reasonably practicable after its inspection;

(b) where the Registered User receives notice under paragraph 5.1.3 or otherwise becomes aware of a failure or unavailability of the Supply Meter Installation that may impact on Transco's ability to procure accurate and timely

Valid Daily Meter Readings, the Registered User will promptly advise Transco when it becomes aware of such failure or unavailability:

(c) in the event of (a) or (b) the User will:

(i) promptly arrange for the repair/replacement of the Supply Meter Installation by a competent person;

(ii) notify Transco when the Supply Meter Installation has been repaired or replaced;

(iii) unless the Supply Meter Installation has been repaired or replaced, no later than one month after either of the events in (a) or (b) inform Transco of the date by which the User is expecting the Supply Meter Installation to be repaired or replaced and thereafter notify Transco of any changes to the expected date;

(d) upon notification that a Supply Meter Installation has been repaired/replaced, Transco will arrange for the prompt resynchronisation of the Daily Read Equipment.

(b) Transco will:

(i) take reasonable steps to arrange for a gas meter examiner to attend (so soon as such a person may be available to attend) at the Supply Point Premises, so as to allow the seal on the Supply Meter lawfully to be broken for the purposes of enabling the Reed Switch to be repaired or replaced, and (upon the attendance of such an examiner and provided that appropriate access to the Supply Meter is provided) repair or replace the Reed Switch; and

(ii) not later than one month after its notification to the User under paragraph (a), unless the Reed Switch has already been repaired or replaced, inform the User of the date by which Transco expects that the Reed Switch will be repaired or replaced, and (where such date is later than one month after such inspection) provide reasonable evidence that despite taking reasonable steps Transco has been unable to arrange for the attendance of a gas-meter examiner or (but without prejudice to paragraph (c)) to secure (having given reasonable prior notice of an appointment to a User) the required access to the Supply Meter before such date;

(iii) thereafter inform the User of any change in such expected date, and provide reasonable evidence that any delay has arisen notwithstanding Transco's compliance with paragraph (i);

(c) the User shall take reasonable steps to make such arrangements with the consumer as may be required for the purposes of paragraph (b)(i);

(de) with effect from the Day of Transco's inspection, or if later from the 5th Business Day before Transco's notification to the User under paragraph (a), and until such time as the Supply Meter Installation Reed Switch has been repaired or replaced and resynchronized the Supply Meter will not be a Performance Relevant Supply Meter; provided that if Transco does not comply with paragraph (b)(ii) the Supply Meter will, with effect from the expiry of the month referred to in that paragraph, become a Performance Relevant Supply Meter.

5.1.4 For the purposes of paragraph 5.1.3, a "**Reed Switch**" is a component of, and contained within, a Supply Meter, which enables the functioning of Daily Read Equipment. Not Used.

5.1.5 — Paragraphs 5.2 and 5.3 shall apply separately in respect of Performance Relevant Supply Meters which are, and which are not, comprised in DMC Supply Point Components (respectively "**DMC**" and "**non-DMC**" Performance Relevant Supply Meters), and references to Performance Relevant Supply Meters in those paragraphs shall be construed accordingly. Deletion due to Mod 565.

5.2 Provision of Meter Readings

5.2.1 Transco will provide not less than 95% of the required number of Valid Meter Readings:

(ai) to each User, in respect of each week (from Monday to Sunday);

(b~~ii~~) for the purposes of Section V13.2.2(a), to all Users, in respect of each quarter,

in each case not later than 11:00 hours on the Day following the Day to which the relevant Meter Reading relates; and for the purposes of this paragraph, the required number of Valid Meter Readings in respect of a User in a week, or in respect of all Users in a quarter, is the sum of the numbers of the Performance Relevant Supply Meters of the User on each Day of such week or (as the case may be) of all Users on each Day in such quarter.

5.2.2 If in respect of any week Transco does not comply with the requirement in paragraph 5.2.1(a)~~(i)~~, Transco will pay to the User an amount calculated as:

where for the relevant week:

A is the sum for all Days in the week of the number of the User's Performance Relevant Supply Meters;

B is the sum for all Days in the week of the number of Valid Meter Readings in respect of the User's Performance Relevant Supply Meters which Transco provided by 11:00 hours on the following Day;

and where C is the relevant percentage of £20.

5.2.3 In respect of each Performance Relevant Supply Meter, if for each of 7 consecutive Days Transco does not provide to a User a Valid Meter Reading by 11:00 hours on the Day following each such Day, Transco will pay to the User (subject to paragraph 5.2.5) the relevant percentage of £30 for each further Day (after the 7th) for which Transco fails to provide a Valid Meter Reading by 11:00 hours on the following Day.

5.2.4 Amounts payable under paragraph 5.2.3 are in addition to and irrespective of any amounts which may become payable in respect of any week under paragraph 5.2.2.

5.2.5 In the case of a Shared Supply Meter Point the amount payable to a User pursuant to paragraph 5.2.3 will be the amount specified under that paragraph divided by the number of Sharing Registered Users.

5.2.6 For the purposes of Section V13, the rules in paragraphs 5.2.2 and 5.2.3 are Compensation Rules within Compensation Group A; and in relation thereto:

(a) the 'payment month' is the second month following that in which:

(i) for the purposes of paragraph 5.2.2, the relevant week fell;

(ii) for the purposes of paragraph 5.2.3, the relevant Day fell;

(b) the 'relevant aggregate requirement' in respect of a quarter is the requirement in paragraph 5.2.1(c)~~(ii)~~;

(c) the quarter by reference to which the relevant percentage is to be determined is the quarter in which the Day for which a Valid Meter Reading is required under paragraph 5.2.1 falls.

Signed for and on behalf of Transco.

Signature:

Chris Train
Director
Support Services

Date:

Gas and Electricity Markets Authority Response:

In accordance with Condition 9 of the Standard Conditions of the Gas Transporters' Licences dated 21st February 1996 I hereby direct Transco that the above proposal (as contained in Modification Report Reference **0674**, version **1.0** dated **23/03/2004**) be made as a modification to the Network Code.

Signed for and on Behalf of the Gas and Electricity Markets Authority.

Signature:

The Network Code is hereby modified with effect from, in accordance with the proposal as set out in this Modification Report, version **1.0**.

Signature:

Process Manager - Network Code
Transco

Date:

Annex

1. Any provision contained in this Agreement or in any arrangement of which this Agreement forms part by virtue of which The Restrictive Trade Practices Act 1976 ("the RTPA"), had it not been repealed, would apply to this Agreement or such arrangement shall not come into effect:
 - (i) if a copy of the Agreement is not provided to the Gas and Electricity Markets Authority ("the Authority") within 28 days of the date on which the Agreement is made; or
 - (ii) if, within 28 days of the provision of the copy, the Authority gives notice in writing, to the party providing it, that he does not approve the Agreement because it does not satisfy the criterion specified in paragraphs 1(6) or 2(3) of the Schedule to The Restrictive Trade Practices (Gas Conveyance and Storage) Order 1996 ("the Order") as appropriate

provided that if the Authority does not so approve the Agreement then Clause 3 shall apply.

2. If the Authority does so approve this Agreement in accordance with the terms of the Order (whether such approval is actual or deemed by effluxion of time) any provision contained in this Agreement or in any arrangement of which this Agreement forms part by virtue of which the RTPA, had it not been repealed, would apply this Agreement or such arrangement shall come into full force and effect on the date of such approval.
3. If the Authority does not approve this Agreement in accordance with the terms of the Order the parties agree to use their best endeavours to discuss with Ofgem any provision (or provisions) contained in this Agreement by virtue of which the RTPA, had it not been repealed, would apply to this Agreement or any arrangement of which this Agreement forms part with a view to modifying such provision (or provisions) as may be necessary to ensure that the Authority would not exercise his right to give notice pursuant to paragraph 1(5)(d)(ii) or 2(2)(b)(ii) of the Order in respect of the Agreement as amended. Such modification having been made, the parties shall provide a copy of the Agreement as modified to the Authority pursuant to Clause 1(i) above for approval in accordance with the terms of the Order.
4. For the purposes of this Clause, "Agreement" includes a variation of or an amendment to an agreement to which any provision of paragraphs 1(1) to (4) in the Schedule to the Order applies.