

Stage 02: Workgroup Report

0455S:

Updating of Meter Information by the Transporter

At what stage is this document in the process?



The purpose of this modification is to provide for the Transporter to update Meter Information on the Supply Point Register in circumstances where the Registered User has failed to do so.



The Workgroup recommends that this self-governance modification should now proceed to consultation.



High Impact:
None



Medium Impact:
None



Low Impact:
Transporters and Users

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About this document:

This report will be presented by the Workgroup to the panel on 20 February 2014.

The Panel will consider whether the modification is sufficiently developed to proceed to Consultation and to submit any further recommendations in respect of the definition and assessment of this **self-governance** modification.


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1 Summary

Is this a Self-Governance Modification?

Modification Panel determined that this is a Self-Governance modification, as it is not expected to have a material impact on competition or consumers.

Why Change?

The Transporters agent presently spends significant time and resources in pursuing Users who have not updated relevant Meter Information on the Supply Point Register. The untimely updating of such data adversely impacts on the industry in a variety of respects and is inconsistent with an industry imperative of ensuring up to date and accurate data.

Solution

It is proposed that Transporters should have the ability to update Meter Information on the Supply Point Register where the Registered User or previous Registered User has failed or been unable to perform this. This will be subject to that User having had a reasonable opportunity to do so and if they determine this to be inappropriate, to advise the Transporter. It is also proposed that an appropriate charge be levied on the relevant User where an update occurs.

Relevant Objectives

Accuracy and timely updates in respect of Meter Information recorded on the Supply Point Register will potentially cause fewer billing related problems for User, Suppliers and consumers, particularly those who are changing supplier, thereby:

- d) Securing of effective competition:
 - (i) between relevant shippers;
 - (ii) between relevant suppliers

Implementation

As this is a self-governance modification, implementation could be sixteen business days after a Modification Panel decision to implement.

A high level cost estimate has been provided, which indicates that development costs are expected to be in the region of £100 to £300k.

2 Why Change?

The Transporters agent currently expends significant time and resources in communicating with Users who have not updated relevant Meter Information on the Supply Point Register. Accurate Meter Information leads to improved Meter Reading acceptance by the Transporter, which in turn enables improved Annual Quantity (AQ) calculations. A further consequence is timely and improved Individual Meter Point Reconciliation at Larger Supply Points. Failure to update such data promptly and accurately adversely impacts on the industry in a variety of respects.

Some participants were concerned that the materiality of the impacts on Transporters have not been demonstrated to provide sufficient evidence that this issue needs to be addressed by the proposals in this modification.

3 Solution

TPD Section M of the UNC states the following:

3.2.15 Where at any time in respect of any Supply Meter Point the Transporter becomes aware that the Meter Information held in the Supply Point Register is incorrect (other than where the Transporter has received this information from the Registered User) within 6 Business Days of the Day upon which it becomes aware of this, the Transporter will so notify the Registered User and provide all relevant details and the Registered User will as soon as reasonably practicable review such details, and where necessary update the Meter Information and submit to the Transporter a Meter Information Notification or a Meter Information Update Notification containing such update in respect of such Supply Meter Point.

It is proposed that the UNC be amended to enable the updating of Meter Information (commonly termed meter asset data) on the Supply Point Register by the Transporter in the following circumstances:

1. Where the Transporter becomes aware that Meter Information held in the Supply Point Register is incorrect it will notify the Registered User or previous Registered User (being the User previously registered to the relevant Supply Point where the same Supply Meter as that previously notified as being removed is found to be capable of flowing gas)
2. Where the Transporter has provided the Registered User with a notification of incorrect or absent Meter Information, to require the Registered User to review this and update the Meter Information within 40 Business Days of such notification or provide the Transporter with an explanation of why it would be inappropriate to do so
3. The Registered User may at its discretion and by exception advise the Transporter that additional time not exceeding 20 Business Days is required to review the Meter Information.
4. Where the Registered User has not complied with (2) and, where applicable, (3) the Transporter will at its sole discretion update the Meter Information and notify the Registered User of this action
5. Where the Transporter has undertaken the action identified in (4), this will be deemed to be an update by the Registered User who will then be liable for a User Pays charge to be detailed in the Agency Charging Statement
6. Where the UNC identifies that the previous Registered User has a residual responsibility for the Supply Point then (2), (3), (4) and (5) applies (to the extent that the previous Registered User is deemed to be the Registered User). For the avoidance of doubt this excludes the Previous Registered User as defined in TPD M3.2.20(h)
7. In circumstances where no Registered User is present or has residual responsibility in accordance with (6), the Transporter may elect at its discretion to update the Meter Information
8. The Transporter will undertake the activity in (1) regardless of whether the source of the Meter Information inaccuracy was the Registered User or previous Registered User

User Pays

Classification of the modification as User Pays, or not, and the justification for such classification.

User Pays arrangements will apply, as the proposed changes require amendments to central systems.

Identification of Users of the service, the proposed split of the recovery between Gas Transporters and Users for User Pays costs and the justification for such view.

100% to Users as Transporters gain no benefit from the proposed changes.

Proposed charge(s) for application of User Pays charges to Shippers.

Development costs are expected to be in the region of £100 to £300k.

It is proposed that these are recovered in two stages using two mechanisms over a period of approximately two years from the date of implementation.

First, in order to minimise the level of costs divided between all Users, it is proposed that a low value be added to the “meter asset update” service charge. This mechanism has the advantage of collecting the development costs from Users over a period of time and targets those Users making use of the service. The levy would apply for the first two years of operation.

Secondly, any residual development costs, that is any development costs not cleared by the levy, would be divided between Users based on their market share as determined by their Supply Meter Point count as a proportion of the total Supply Meter Point count, excluding Unique Sites, as at the date of the second anniversary of the implementation of this Modification Proposal.

Proposed charge for inclusion in the Agency Charging Statement (ACS) – to be completed upon receipt of a cost estimate from Xoserve.

An ACS has been provided.

4 Relevant Objectives

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.	None
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 updating of Meter Information on the Supply Point Register is critical to the efficient operation of those provisions of the UNC concerned with NDM Allocation, Annual Quantity calculation, Individual Meter Point Reconciliation and Transportation Billing. The objective of the changes identified within this modification is to provide a mechanism that where the relevant Registered User has failed or been unable to provide a timely update of Meter Information to the Transporter (in circumstances where the Transporter has identified and notified such changes to the User), the Transporter will update such data on behalf of the User. The Transporter may also update data at its discretion where no Registered User is present. Accuracy and timely updates in respect of Meter Information recorded on the Supply Point Register will potentially cause fewer billing related problems for User, Suppliers and consumers, particularly those who are changing supplier, thereby:

- d) Securing of effective competition:
 - (i) between relevant shippers;
 - (ii) between relevant suppliers

5 Implementation

As self-governance procedures are proposed, implementation could be sixteen business days after a Modification Panel decision to implement.

Xoserve has provided a high level cost estimate, which indicates that development costs are expected to be in the region of £100 to £300k. However, it is proposed to recover the development and operation costs as a transactional cost of between £60 and £80 per meter information update. The transactional costs would be reviewed once the development costs have been recovered, this should occur within 2 years of implementation.

6 Legal Text

The following Text has been prepared by National Grid Distribution at the request from Panel, and no issues were raised by the Workgroup regarding its content.

Transportation Principal Document

Section M

Amend paragraph 3.2.15 to read as follows:

- 3.2.15 Where at any time in respect of any Supply Meter Point the Transporter becomes aware that the Meter Information held in the Supply Point Register is incorrect ~~(other than where the Transporter has received this information from the Registered User)~~ within 6 Business Days of the Day upon which it becomes aware of this, the Transporter will so notify the Registered User or the Relevant Registered User (as the case may be) and provide all relevant details and the Registered User or the Relevant Registered User (as the case may be) will as soon as reasonably practicable review such details, and where necessary update the Meter Information and submit to the Transporter a Meter Information Notification or a Meter Information Update Notification containing such update in respect of such Supply Meter Point. In the event that:
- (a) the Registered User or the Relevant Registered User (as the case may be) fails within 40 Business Days following the Transporter's notification in accordance with this paragraph 3.2.15 (or within 60 Business Days following the Transporter's notification in accordance with this paragraph 3.2.15 where the Registered User or the Relevant Registered User (as the case may be) notifies the Transporter that further time is required to review the information provided by the Transporter) to either update the Meter Information or inform the Transporter why the Registered User or the Relevant Registered User (as the case may be) believes that it would be inappropriate to update the Meter Information:
 - (i) the Transporter may in its sole discretion proceed to update the Meter Information and shall notify the Registered User or the Relevant Registered User (as the case may be) accordingly;
 - (ii) such update of the Meter Information pursuant to paragraph 3.2.15(a)(i) shall be deemed to be an update by the Registered User or the Relevant Registered User (as the case may be); and
 - (iii) the Registered User or the Relevant Registered User (as the case may be) shall be liable for a User Pays Charge as a result of the updated Meter Information;

(b) there is no Registered User or Relevant Registered User (as the case may be) in respect of the Supply Meter Point, the Transporter may in its sole discretion update the Meter Information.

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7 Recommendation

The Workgroup invites the Panel to:

- AGREE that this Self-Governance modification should be submitted for consultation.
- Consider the Self-Governance status of this modification as a number of participants felt that the scope of the modification may impact competition between Users as set out in the Self-Governance criteria (i) (bb). Should Transporters update data on behalf of a User, this may impact the commercial arrangements between Users and third parties even though the Transporter is not party to these arrangements and this may in turn be detrimental to a User who may incur additional costs. In addition amendments to data by Transporters may cause erroneous allocations for sites, which may materially impact a User. Some participants were concerned that this modification proposes to levy charges on Users and that this should not be the subject of Self-Governance modifications.
- Consider asking for views on the Self-Governance status of this modification during consultation should Panel consider Self-Governance is appropriate.