

98/02/02/04

**Urgent Modification Proposal 0212****Charge for Provision of Estimates for Opening Meter Reads - Extension of Domestic Market Interim Solution Provisions****02 February 1998****Present Position**

In order that competition could be introduced to the domestic market of Scotland and Northern England on 1st November 1997, Transco needed to apply somewhat rationalised IT systems and processes. Modification 0171 put in place the simplified processes to be applied to this area of the domestic gas market. This application of simplified processes is referred to by Transco as the 'Interim Solution'.

When a supply point is transferred from one shipper to another, a meter read is taken for that site by the incoming shipper. This meter read is used by the outgoing shipper as its closing meter read and by the incoming shipper as its opening meter read, to enable accurate billing for that site. Modification 0171 introduced that, where an opening read is not provided to Transco, Transco shall, where possible, provide an estimated meter read. Where an estimated read is provided, the shipper shall pay a charge to Transco. Under the Interim Solution, estimated reads are provided by a manual process and the charge reflects the cost to Transco of providing an estimate by this method. Modification 0185 introduced that, shippers should only be charged for an estimated read where estimates are required for more than 10% of a shipper's customers in a month. Prepayment meters are excluded from the performance measure and the charge.

Proposal

Modification 0185 had the effect that the charge Transco levies for providing a manually estimated read was only applicable to supply points in the domestic market of Scotland and Northern England, and then only for the duration of the Interim Solution. The Interim Solution, as established by Modification 0171 (and later amended by Modification 0195), expires at 06.00 hours on 9 February 1998. However, Transco proposes to manually generate estimated reads, when required, for supply point transfers up to and including 17 February 1998.

Modification 0212 is intended to extend the period that Transco can charge shippers for the provision of an opening read, as per Modifications 0171 and 0185, until 17 February 1998. This Modification is not proposing to extend any other provisions of the Interim Solution. Transco are raising a further proposal, Modification 0213, to facilitate the charges for estimated reads from 18 February 1998 onwards, when they will be generated automatically by computer, for the whole of the domestic market.

Possible Impact on Customers

This modification will have no impact on customers outside of the domestic market of Scotland and Northern England, nor to any customers in the industrial and commercial market.

Further Information

The Network Code must be modified urgently so that this charge can apply with effect from 4 February.

Close-out for representation:	5:00pm 4th February
Modification report to Ofgas:	5th February
Final Ofgas Decision:	6th February

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