



Urgent Modification Proposal 0213 Decision

Charge for the Provision of Estimates for Domestic Opening Meter Reads

03 March 1998

This modification was accepted by Ofgas on 27 February and becomes part of the Network Code on 4 March.

Present Position

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 of that particular site. Modification 0171 introduced that, where an opening read is not provided to Transco for supply points in Tranche 1 of Domestic Competition, Transco shall, where possible, provide an estimated meter read. An estimated read will be generated if there is no actual opening read on Transco's system seven days after the transfer date. Where an estimated read is generated, the incoming shipper shall pay a charge to Transco. During Tranche 1, estimated reads were generated by a manual process and the charge reflected the cost to Transco of providing manually produced estimates. 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, and Modification 0212 extended the application of this charge until 17 February 1998.

Proposal

This modification proposes that, from 18 February 1998, charges for automatically produced estimated reads shall become applicable to the whole domestic market. Under the proposal, estimated reads will continue to be generated when there is no actual opening meter read on Transco's system seven days after the transfer date and the charge will still only apply when estimates are required for more than 10% of a shipper's customers in a month. However, from 18 February, estimated opening reads will be automatically generated by computer. The charge will be lower, reflecting the reduction in the cost to Transco of providing estimated reads. Following consultation (PC21), Transco has introduced a charge of £7.62 for estimated reads into its charging statement. This modification enables that charge to be administered.

Possible Impact on Customers

These charges should provide shippers with incentives to obtain an opening meter read and will allow domestic customers to be accurately billed. It is not envisaged that the cost of these estimates will be passed on to customers. This modification will not affect customers in the industrial and commercial market.

Further Information

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