

TRANSCO NETWORK CODE MODIFICATION PROPOSAL

SHORT TITLE: Calculation of Estimates between "Pre and Post Transfer" Reads

DATE: 01/9/1998 **PROPOSED IMPLEMENTATION DATE:** October 1998

URGENCY: Non Urgent

JUSTIFICATION:

Review Group 0065 "Opening Meter Reads" considered the following issues relating to the opening reads process:

- i) The requirement for opening reads for NDM sites on reconfirmation;
- ii) Improvements to the quality of estimated reads;

The recommendations for Item (i) were implemented via Modification Proposal No : 0146 "Suppression of unnecessary Opening Reads at NDM Reconfirmed Sites".

For Item (ii), the Group identified that Transco currently receives significant numbers of opening reads that have been taken outside the read window, or taken within the read window but not submitted until after D+7. In the I&C market, Transco's MRA obtain on average an additional 5% of reads marginally outside the read window. It was felt that utilisation of these reads would significantly improve the quality of the opening reads.

CONSEQUENCE OF NOT MAKING THIS CHANGE:

Reads captured just outside the read window or submitted after D+7 will not be utilised to improve the quality of estimates. Increasing the quality of estimates will potentially reduce the number of times Shippers need to use Agreed Reads which is costly and time consuming for all parties to administer taking several weeks to resolve.

AREA OF NETWORK CODE CONCERNED:

Section M.

NATURE OF PROPOSAL:

To improve the quality of estimated reads, the Review Group recommended the following changes:-

- i) Allow Transco to use "post transfer reads", when provided by D+10, to calculate an estimate.

- ii) There should be a cut-off point at D+10 for submission of post transfer reads to be used to back-calculate estimates. Where no actual read is received by D+10 a "backstop" estimate will be generated and provided to the relevant Shipper, as per currently under Network Code.
- iii) Remove the current requirement in the Network Code that prevents Transco issuing an estimate earlier than D+10. This would enable Transco to issue estimates at the point they are calculated i.e. when "post transfer read" received and not have to wait until D+10.
- iv) Allow Transco, on a reasonable endeavour basis, to accept reads obtained within the required date range but not provided until after D+7. NB. Reads still need to be provided by D+10.
- v) Late opening reads taken outside the read window and used to back-calculate estimated opening reads for the actual transfer date will be stored as information reads.

PURPOSE OF PROPOSAL:

The proposed Modification is designed to improve the accuracy of estimated opening reads. By changing the estimation process it will help improve the quality of opening reads. Acceptance of reads provided outside the submission window will provide a greater opportunity for Shippers to submit actual reads and hence improve the overall quality of the process.

Increasing the quality of estimated reads will potentially reduce the number of times Shippers need to use Agreed Reads which is costly and time consuming for all parties to administer taking several weeks to resolve.

In addition, by allowing Transco to issue estimates earlier than D+10 will potentially allow Shippers to settle final accounts earlier.

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SIGNATURE: 
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MODIFICATION PANEL SECRETARY'S USE ONLY

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