

0487S:

Introduction of an Advanced Meter Indicator and Advanced Meter Reader (AMR) Service Provider Identifier in advance of Project Nexus Go Live



With the continuing rollout of Advanced Metering across the Non Domestic market and the extension till 2016 of the ability to deploy Advanced Metering, it is important to be able to identify the presence of Advanced Metering at customer sites. This is particularly important during Change of Supplier (CoS) events and in particular with proposals to optimise the CoS process. Currently central systems do not hold and identify Advanced Meters and associated Advanced Meter Reading Service Providers (ASP's). This proposal looks to introduce these details within the central system and place an obligation on Shippers to populate and maintain the relevant information



Panel consideration is due on 16 October 2014



High Impact:



Medium Impact:



Low Impact: Shippers and Transporters

Contents

- 1 Summary
- 2 Why Change?
- 3 Solution
- 4 Relevant Objectives
- 5 Implementation
- 6 Nexus Impacts
- 7 Legal Text
- 8 Consultation Responses
- 9 Panel Discussions
- 10 Recommendation

About this document:

This Final Modification Report will be presented to the Panel on 16 October 2014.

The Panel will consider the views presented and decide whether or not this self-governance change should be made.



3 Any questions?

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0487S

Modification Report

09 October 2014

Version 1.0

Page 2 of 11

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1 Summary

Is this a Self-Governance Modification?

The Modification Panel determined that this is a self-governance modification because it is unlikely to have material effect on competition as this modification is only proposing to provide additional information at a Change of Supplier (CoS) event to the benefit of those involved.

Why Change?

Currently central systems do not identify if an in situ meter is operating in Advanced Mode and if so who the current Advanced Meter Reading Service Provider (ASP) is. This lack of information creates an issue on CoS, with the new Supplier unable to easily identify if the Meter is advanced and who the relevant service provider is.

Recognising that hundreds of thousands of Advanced Meter Reading installations are already in situ it is critical that a means of tracking meters operating in advanced mode is introduced as soon as reasonably practicable. However, this must be balanced against the currently scheduled switch over to Nexus and the short term nature of introducing a solution in pre Nexus Systems. Therefore this modification introduces a short term solution for the pre Nexus environment.

Solution

Prior to Nexus implementation (currently scheduled for October 2015) it is proposed to introduce an ASP Identifier (ASP ID) within central systems.

It is also proposed that an obligation is placed on Shippers, where relevant, to populate and maintain the ASP ID. The Shipper shall be responsible for updating the ASP ID as soon as reasonably practicable once it becomes aware of the existence of an ASP associated with the MPRN.

For avoidance of doubt should multiple ASPs exist then it is the ASP providing services to the Supplier that takes primacy.

Relevant Objectives

Pre Nexus implementation, holding the relevant information in central systems will improve the CoS process by ensuring the new Shipper has ready access to the current ASP ID. This enables the new Shipper and Supplier to efficiently make the necessary arrangements in relation to the site, and therefore further relevant objective d) by securing effective competition between relevant shippers.

Implementation

No implementation timescales are proposed. However, it would be desirable if implementation was as soon as reasonably practicable to support proposed improvements in CoS process.

Does this modification affect the Nexus delivery, if so, how?

The Workgroup concludes that the modification does not affect Nexus delivery.

2 Why Change?

Currently central systems do not identify if the in situ meter is operating in Advanced Mode and if so who the current Advanced Meter Reading Service Provider (ASP) is. This lack of information creates inefficiencies on Change of Supplier (CoS) with the new Shipper and Supplier unable to efficiently identify if the Meter is currently advanced and who the current ASP is.

Scenario

In the circumstance that Shipper B transfers a Meter Point into their portfolio from Shipper A. Shipper B has no way of identifying whether Advanced Meter equipment is present at site upon receipt of the Meter Information provided to the incoming Shipper by the Transporter on the Meter Reading Information (MRI) File as this is not held on Transporter System so this cannot be provided.

Shipper B may then contract an ASP to install an Advance Meter to their newly registered Meter Point. The ASP visits site to report that an Advanced Meter has already been installed by another ASP on behalf of Shipper A, and therefore Shipper B has incurred the costs associated with an ultimately aborted visit.

This lack of centralised information also inhibits the ability to appoint service providers in a timely and efficient manner and thus the introduction of this information will support and complement improvements being sought through Change of Supplier process reviews and associated modifications.

Recognising that hundreds of thousands of Advanced Meter Reading installations are already in situ it is critical that a means of tracking meters operating in advanced mode is implemented as soon as reasonably practicable. However, this must be balanced against the currently scheduled switch over to Nexus and the short term nature of introducing a solution in pre Nexus Systems. Therefore this solution introduces a short term solution for the pre Nexus environment with a more enduring solution proposed for the post Nexus environment.

Prior to Nexus implementation (currently scheduled for October 2015) it is proposed to introduce an Advanced Meter Reader Service Provider (ASP) Identifier (ASP ID) within central systems.

3 Solution

Obligation on Shippers (solution)

It is proposed that an obligation is placed on Shippers, where relevant, to populate and maintain the ASP ID. The Shipper shall be responsible for updating the ASP ID as soon as reasonably practicable once it becomes aware of the existence of an ASP associated with the MPRN. The triggers that are currently identified are as follows: -

1. Following the initial appointment and any subsequent appointment by the Supplier of an Advanced Meter Reader Service Provider (ASP)
2. Where the Supplier is aware of an Advanced Meter being in-situ and that an Advanced Meter Reader Service Provider exists who is not appointed by the Supplier e.g. if the consumer has arrangements with an Advanced Meter Reader Service Provider

For avoidance of doubt should multiple ASP's exist then it is the ASP providing services to the Supplier that takes primacy.

User Pays
Classification of the modification as User Pays, or not, and the justification for such classification.
This is a User Pays modification as it proposes to change or amend 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.
The recovery of costs would be 100% from Users. It is proposed that charging would utilise the Market Sector Flag to determine the allocation of costs. Those MPRNs populated with an "I" representing non domestic sites would be used to determine the proportion of the Shipper's relevant market share as at 1 st October 2014. <i>For the avoidance of doubt this excludes CSEPs, Unique Sites and DM Supply Meter Points.</i>
Proposed charge(s) for application of User Pays charges to Shippers.
The High Level Cost (HLC) estimate provided identified Option A, circa £20k - £100k.
Proposed charge for inclusion in the Agency Charging Statement (ACS) – to be completed upon receipt of a cost estimate from Xoserve.
To be provided in due course.

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

Centralising the relevant information will improve the CoS process by ensuring the new Shipper and Supplier has ready access to the ASP ID. This enables the new Shipper and Supplier to efficiently make the necessary arrangements in relation to the site and will therefore further relevant object d) securing of effective competition by the reduction in abortive visit costs.

5 Implementation

As self-governance procedures are proposed, implementation could be sixteen business days after a Modification Panel decision to implement, subject to no Appeal being raised. However, it would be desirable if this modification were implemented as soon as reasonably practicable to allow as much time as possible for the benefits to be gained prior to the implementation of Project Nexus.

6 Nexus Impacts

Does this modification affect the Nexus delivery, if so, how?

The Workgroup concludes that the modification does not affect Nexus delivery.

0487S

Modification Report

09 October 2014

Version 1.0

Page 6 of 11

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7 Legal Text

Text

The following Text has been prepared by Northern Gas Networks at the request of Panel, and no issues were raised by the Workgroup regarding its content.

Legal Commentary

The standalone obligation has been translated into this particular section where there are other obligations about provision of special meter information as it seems an appropriate place to put it in. The obligation has been described in the terms described in the modification on the assumption that the central systems referred to are UK Link and also that as no specific definition of Advanced Meter is provided on the assumption that the only comparable term is as per the one set out in the Supplier Licence.

TRANSPORTATION PRINCIPAL DOCUMENT

SECTION M – SUPPLY POINT METERING

Add new paragraph M.2.1.14

2.1.14 Where the User appoints a person to be the provider of an Advanced Meter at a Supply Meter Point or becomes aware of the existence of the provider of an Advanced Meter at a Supply Meter Point that it has not appointed then the User shall as soon as reasonably practicable provide and update the information within UK Link Systems. In this paragraph Advanced Meter shall have the same construction as that set out in Standard Condition 12.22 of the Gas Suppliers Licence published by Ofgem.

8 Consultation Responses

Of the 8 representations received 5 supported implementation, 2 provided comments and 1 was not in support.

Representations were received from the following parties:

Organisation	Response	Relevant Objectives	Key Points
British Gas	Support	d - positive	<ul style="list-style-type: none"> This change will ensure industry data is appropriately maintained, reducing the need for abortive site visit costs for new shipper parties. This will reduce costs and lead to a more efficient and competitive industry. Small system changes are required to facilitate this change. The respective costs have not been identified at this stage, although they are not expected to be significant. Expected system implementation lead time: late March/early April
EDF Energy	Oppose	d - neutral f - negative	<ul style="list-style-type: none"> Support the intent of the modification but do not believe that implementation in its current form and time before Project Nexus is implemented furthers the relevant objectives. Do not agree with the use of an existing field to hold a different data item, apart from setting a bad precedent it impacts on their systems and processes currently being developed for the delivery of Smart. Do not believe this is an efficient way of delivering a change to systems and processes before Project Nexus goes live on the 1 October 2015. Recommend to the panel that this modification is issued for further consultation again following the Variation Request and a different solution is developed. Although not clear of the exact costs of implementing they believe there would be significant costs compared to the short-term benefits of having this modification implemented for a few months before Project Nexus is implemented. Suggest that Modification 0511 is considered along side 0487S to establish if a more efficient and robust solution can be identified and developed. Expected system implementation lead time: 6 months

0487S

Modification Report

09 October 2014

Version 1.0

Page 8 of 11

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EDF Energy...			<ul style="list-style-type: none"> • Would like confirmation of what is intended by the term “ASP identifier” and for this to be defined in the modification. • Understand that customers can have AMR devices installed without informing the supplier or MAM and they therefore have concerns how this data will flow through from MAM to Supplier onto the Gas Transporter when the MAM may not be aware of the installation. • Given the material impacts on systems and processes highlighted EDF Energy believe there is clearly an impact on consumers given the little or short-lived benefit of this modification and that a Variation Request has been raised to make the modification an enduring solution this will require more work and analysis to develop a more robust long-term solution which also may be material. • Highlight that there is no mention of the impact on or the solution for iGTs whose sites may have AMRs fitted. Given that project Nexus will cover all Gas Transporters they believe this is another reason to aim for a robust solution for project Nexus go-live.
Gazprom	Support	d - positive	<ul style="list-style-type: none"> • Centralising the relevant information will improve the CoS process by ensuring the new Shipper and Supplier has ready access to the ASP ID. This enables the new Shipper and Supplier to efficiently make the necessary arrangements in relation to the site and will reduce abortive visit costs. • Will incur minor costs in developing systems and processes.
Northern Gas Networks	Comments	d - positive	<ul style="list-style-type: none"> • NGN are supportive of the intent of the modification to identify better information relating to the presence of Advanced Meter Reading equipment and the associated Service Provider. • This modification places specific UNC obligations on Shippers to provide relevant information when they become aware of it. The provision of accurate information relating to market participants will facilitate more efficient processes on change of shipper.
Opus Energy	Support	d - positive	<ul style="list-style-type: none"> • In support of the modification as it aids the CoS process, data integrity and customer experience as a result of correct agents being appointed to support the specific meters and accurate Change of Supplier reads. • Requested clarity on whether dumb meters with dataloggers attached were included in the scope of the modification.

Opus Energy...			<ul style="list-style-type: none"> • Expected system implementation lead time: 6 months • Opus Energy required clarity on the scope of the modification and whether dumb meters with data loggers attached were included. If not, they wished to understand how these meter set-ups could be identified to take advantage of the same solution. They believe it is important to identify between AMR in situ and dumb meters with a data logger attached in situ because some Suppliers may wish to replace a data logger with AMR.
RWE npower	Support	d - positive	<ul style="list-style-type: none"> • This modification supports improvements to the customer journey during a change of supply event. • Will incur some system development costs to implement. • Expected system implementation lead time: 6 months
Wales & West Utilities	Comments	d - positive	<ul style="list-style-type: none"> • Noting the benefits to suppliers of storing the proposed information in central systems WWU are concerned about the lack of data validation and the requirement to populate the information when Users become aware of it which effectively makes this optional. • Support relevant objective d with the caveat that they believe that more robust requirements around data quality would enhance the impact. • Wales & West Utilities believe the modification is unclear what happens when a supplier appoints an ASP and there is another ASP's equipment in place. They believe different Suppliers and Shippers may take different approaches and this could lead to inconsistencies in how data is recorded.
Wingas	Support	d - positive	<ul style="list-style-type: none"> • In support of the modification as it decreases the disruption to AMR services already in place. • Improves the customer experience and reduces the chances of unnecessary duplicate AMR installations • Dependent on solution utilised the costs may be disproportionate to the benefits achieved • Expected system implementation lead time: 6 months • Wingas appreciate that the issue of primacy has been addressed but ideally they would like to see a future improvement where any ASP that has a device installed at a given site could be visible in industry data.

Wingas...			<ul style="list-style-type: none"> Wingas also highlight if the chosen method of updating the ASP field is to be an automated solution, in consideration of their portfolio size, the costs would likely to be disproportionate to the benefits achieved. However, if a manual process was adopted, the costs are likely to be much more proportionate.
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Representations are published alongside the Final Modification Report.

9 Panel Discussions

10 Recommendation

Panel Recommendation

Having considered the Modification Report, the Panel determined:

- that proposed self-governance Modification 0487S [should/should not] be made.