

Stage 02: Workgroup Report	At what stage is this document in the process?
<h1>0583S:</h1> <h2>Requiring an Opening Meter Reading at same User Confirmation</h2>	
<p>This Modification would require Users to provide an Opening Meter Reading in the event of a re-confirmation – i.e. the Proposing User is the Existing Registered User. Where such a reading has not been provided Transporters would create an estimated Opening Meter Reading.</p>	
	<p>The Workgroup recommends that this self-governance modification should now proceed to consultation.</p>
	<p>Medium Impact: Shipper Users, Transporters</p>

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<p>This report will be presented to the panel on 21 July 2016.</p> <p>The panel will consider whether the modification should proceed to consultation or be returned to the workgroup for further assessment.</p> <p>The Proposer recommends the following timetable:</p> <table border="1"> <tbody> <tr> <td>Initial consideration by Workgroup</td> <td>6th June 2016</td> </tr> <tr> <td>Amended Modification considered by Workgroup</td> <td>12th July 2016</td> </tr> <tr> <td>Workgroup Report presented to Panel</td> <td>21st July 2016</td> </tr> <tr> <td>Draft Modification Report issued for consultation</td> <td>21st July 2016</td> </tr> <tr> <td>Consultation Close-out for representations</td> <td>11th August 2016</td> </tr> <tr> <td>Final Modification Report published for Panel</td> <td>15th August 2016</td> </tr> <tr> <td>UNC Modification Panel decision</td> <td>18th August 2016</td> </tr> </tbody> </table>		Initial consideration by Workgroup	6 th June 2016	Amended Modification considered by Workgroup	12 th July 2016	Workgroup Report presented to Panel	21 st July 2016	Draft Modification Report issued for consultation	21 st July 2016	Consultation Close-out for representations	11 th August 2016	Final Modification Report published for Panel	15 th August 2016	UNC Modification Panel decision	18 th August 2016	
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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 gas consumers; competition, the operation of pipe-line systems, safety or security of supply, the uniform network code governance procedures or the network code modification procedures. This modification relates to same Shipper User Confirmation and facilitates more transparent allocation of gas across variance periods.

Is this a Fast Track Self-Governance Modification?

This modification is not proposed as a fast track modification as it is not an administrative change to the Code.

Why Change?

Modification of the UNC is required to correct an inconsistency between the proposed legal text for Modification 0432 and the Meter Read and Settlement BRD, section 5.9.8 which states: "Where the current Registered Shipper User submits a re-confirmation for a Supply Meter Point, no change to Product, the old Confirmation will be end dated and a new Confirmation Reference will be issued to the Shipper User. An Opening read will be estimated if a read is not provided and a notification issued to the Shipper User." The Legal Text for Modification 0432 currently states that re-confirmations will be excluded from this process as detailed in TPD Section M5.13.2.

This approach would ensure consistent processes for all Supply Point Confirmations, including re-confirmation processes, providing simplified industry processes and solutions.

Solution

Opening Meter Readings are currently not required for Supply Point re-confirmations.

It is proposed to remove the condition (TPD Section M5.13.2 (introduced as part of UNC Modification 0432) which restricts the requirement for an Opening Meter Reading to 'new' Users (i.e. transfers of Supply Point Registration) and introduces a requirement for an Opening Meter Reading to be provided in all circumstances where a Supply Point Confirmation is submitted.

The requirement to record Opening Meter Readings also applies to re-confirmations submitted prior to the Project Nexus Implementation Date therefore Transitional Rules are required.

Relevant Objectives

This Modification would further GT Licence relevant objective f) 'Promotion of efficiency in the implementation and administration of the Code' and GT Licence relevant objective c) 'Efficient discharge of the licensee's obligations' as it will enable consistent treatment of Confirmation processes.

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.

Does this modification impact a Significant Code Review (SCR) or other significant industry change projects, if so, how?

This Modification is required to support implementation of the UK Link Replacement programme (which incorporates the changes required for Project Nexus). This is because it assists with transition to and maintenance of the requirements set out in the Project Nexus Business Requirement Documentation. There is no impact on the Ofgem SCR.

2 Why Change?

The UNC TPD Section M sets out the requirements for Opening Meter Reading submission; Supply Point re-confirmations are excluded from this requirement.

This modification is required to correct an inconsistency between the proposed legal text of Modification 0432 and the Meter Read and Settlement BRD, section 5.9.8 which states: “Where the current Registered Shipper User submits a re-confirmation for a Supply Meter Point, no change to Product, the old Confirmation will be end dated and a new Confirmation Reference will be issued to the Shipper User. An Opening read will be estimated if a read is not provided and a notification issued to the Shipper User.” The Legal Text for modification 0432 currently states that re-confirmations are excluded from this process as detailed in M5.13.2. The BRD was amended following direction of implementation of modification 0432.

This approach would ensure consistent processes for all Supply Point Confirmation, including re-confirmation processes, providing simplified industry processes and solutions.

Currently at Supply Point re-confirmation a variance period is created. This variance period has the effect of apportioning reconciliation energy to specific periods. The energy apportionment is not explicitly passed to Users until such time as an Individual Meter Point Reconciliation takes place. This modification proposes that Shipper Users are required to provide an Opening Meter Reading for all Supply Point Confirmation activity including where there is no change of Registered User. Where a User is unable to provide such Meter Reading the Transporter shall provide an estimated Opening Meter Reading. Such estimated Opening Meter Reading may be replaced in line with the prevailing read replacement rules.

As a re-confirmation will trigger an Individual Meter Point Reconciliation, this change would consequently improve the timeliness of reconciliations.

It should be noted that during development of UNC Modification 0576 the Workgroup identified that the estimated Opening Meter Reading should take account of the Weather Correction Factor consistent with the revised approach defined in UNC Section H2.2.1 as introduced in Modification 0432 to be implemented at Project Nexus Implementation Date. This same approach was discussed explicitly in the context of the scenario detailed in this modification. This shall be applied for both transitional and enduring calculation processes.

3 Solution

It is proposed that Opening Meter Readings are recorded for all Supply Point Confirmations, including re-confirmations by the same Registered User, following the Project Nexus Implementation Date. This shall also apply for any Supply Point Confirmations that have an effective date prior to the Project Nexus Implementation Date and have not been superseded by another Confirmation.

Where an Opening Meter Reading is not provided the Transporter will calculate an estimated Opening Meter Reading.

The estimated Meter Read shall take account of the Weather Correction Factor consistent with the revised approach defined in UNC Section H 2.2.1 as introduced in Modification 0432 to be implemented at the Project Nexus Implementation Date. This shall be applied for both the transitional and enduring calculation processes.

It is proposed that the UNC is revised on an enduring basis to:

- Make the treatment of Supply Point Confirmation Opening Meter Readings when the Proposing User is the Existing User consistent with the treatment of such Opening Meter Readings when the Proposing User is not the Existing User.
- Where a User does not provide the Opening Reading the Transporter shall calculate this in the same manner as M5.13.8 (Modification 0432).
- Consistent with UNC Modification 434, a Shipper User may subsequently replace such estimated Opening Meter Reading subject to the prevailing read replacement rules – i.e. such Meter Read Date is subsequent to the Code Cut Off Date.

Transitional terms are also required as follows.

- An estimated Opening Meter Reading will be calculated for all re-confirmations (excluding, where a subsequent Confirmation has become effective) provided that the effective date of this Confirmation is after the 1st April in the Formula Year (t) t-6 and prior to the Project Nexus Implementation Date. This requirement is necessary regardless of whether a subsequent Meter Reading has been recorded on the Supply Point Register.

The following business rules are to be applied to calculate an estimated Opening Meter Reading as part of the transitional terms:

- Valid Meter Readings available before and / or after the re-confirmation effective date shall be used to interpolate if possible, otherwise extrapolate backwards or forwards.
- In circumstances where no Valid Meter Reading is available an estimated Opening Meter Reading of all zeroes would be recorded.
- Consistent with the enduring rules Shipper Users may seek to replace any estimated Opening Meter Readings on or after the Code Cut Off Date with an Opening Meter Reading provided that the estimated Opening Meter Read Date is within the period of that User's Supply Point Registration.

User Pays	
Classification of the modification as User Pays, or not, and the justification for such classification.	No User Pays service would be created or amended by implementation of this modification and it is not, therefore, classified as a User Pays Modification.
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.	N/A
Proposed charge(s) for application of User Pays charges to Shippers.	N/A
Proposed charge for inclusion in the Agency Charging Statement (ACS) – to be completed upon receipt of a cost estimate from Xoserve.	N/A

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.	Positive
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

This Modification would further GT Licence relevant objective d) 'Securing of effective competition between relevant Shippers and relevant Suppliers' by enabling transparency and enables, where available, actual consumption information be provided against the relevant period.

It would also further GT Licence relevant objective c) 'Efficient discharge of the licensee's obligations' as it will enable consistent treatment of confirmation processes.

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.

6 Impacts

Does this modification impact a Significant Code Review (SCR) or other significant industry change projects, if so, how?

This Modification is required to support implementation of the UK Link Replacement programme (which incorporates the changes required for Project Nexus) as it assists transition to and maintenance of the requirements set out in the Nexus Business Requirement Documentation.

Pre Project Nexus Implementation

The changes would affect the UK Link Replacement programme prior to implementation. This is because the approaches identified within this Modification are necessary to efficiently migrate data to the target system.

Project Nexus Implementation

The changes identified within this Modification would be applicable on an enduring basis.

7 Legal Text

Text Commentary

The following Legal Text commentary was provided by National Grid Distribution.

TPD Section M (Supply Point Metering)	Topic	Explanation
Paragraph 5.13	Opening Meter Reading	Delete references to 'relevant Supply Point Confirmation' - this was the term used in the context of excluding the requirement to submit an Opening Meter Reading on a Supply Point Confirmation by an Existing User.
TD PART IIF (Nexus Implementation)	Topic	Explanation
New paragraph 7.9.1		Establishes requirement that where last Supply Point Confirmation effective prior to the Implementation Date (i.e. the Project Nexus Implementation Date) was made by the Existing User the Transporter will estimate a Meter Reading.
New Paragraph 7.9.2		The estimated Meter Reading will be established on the basis of the 'usual' rules in TPD Section M5.4 using all available Valid Meter Readings, and in relation to which the Read Date will be the effective date of the last Supply Point Confirmation. In the absence of any available Valid Meter Readings the

		estimate will be set at zero.
New paragraph 7.9.3		This acts as carve out from the rule requiring the Transporter to estimate a Meter Reading. Where by reason of the new enduring rule the Existing User submits an Opening Meter Reading after the Implementation Date and within the period specified in TPD Section M5.13.4, then the Transporter will not be required to determine an estimate.

Text

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

TRANSPORTATION PRINCIPAL DOCUMENT

SECTION M – SUPPLY POINT METERING ¹

Amend text at paragraph 5.13 to read as follows:

5.13 Opening Meter Reading

5.13.1 Where a User submits a ~~relevant~~ Supply Point Confirmation which becomes effective for a Proposed Supply Point which comprises a Class 2, 3 or 4 Supply Meter Point, this paragraph 5.13 applies in respect of the Supply Meter installed at the Supply Meter Point.

5.13.2 ~~For the purposes of this paragraph 5.13 a relevant Supply Point Confirmation is a Supply Point Confirmation where the Proposing User is not an Existing User-Not Used.~~

5.13.4 For the purposes of paragraph 5.13.3(a) the Read Date must be:

(a) where the Supply Meter Point is or (following the ~~relevant~~ Supply Point Confirmation) will be in Class 1, Class 2 or Class 3, the Supply Point Registration Date;

(b)

5.13.5 For the purposes of paragraph 5.13.3(b) the Meter Reading must be submitted not later than:

(a) where the Supply Meter Point is or (following the ~~relevant~~ Supply Point Confirmation) will be in Class 1 or Class 2, 16:00 hours on the 5th Day after the Supply Point Registration Date;

(b) ...

TRANSITION DOCUMENT

¹ Changes shown against text as amended by Modification 0432.

PART IIF – NEXUS IMPLEMENTATION

Add new paragraph 7.9 to read as follows:

7.9 Opening Meter Readings

7.9.1 Where in respect of a Supply Point the last Supply Point Confirmation which became effective prior to the Implementation Date was submitted by the Existing User paragraph 7.9.2 shall apply.

7.9.2 Subject to paragraph 7.9.3, where this paragraph applies, the Transporter shall determine an estimated Meter Reading in accordance with TPD Section M5.4.1(b) or 5.4.2 which shall be used as the Opening Meter Reading, for which purposes:

(a) the estimated Meter Reading shall be made for the effective date of the last Supply Point Confirmation Date by reference to available Valid Meter Readings for the Supply Point;

(b) where no Valid Meter Reading is available for the Supply Point the estimated Meter Reading shall be zero.

7.9.3 Paragraph 7.9.2 shall not apply in the event the Existing User submits an Opening Meter Reading on or after the Implementation Date provided the Opening Meter Reading is submitted by the time specified in TPD Section M5.13.4.

8 Recommendation

The Workgroup invites the Panel to:

- AGREE that this self-governance modification should be submitted for consultation.