

TRANSCO NETWORK CODE MODIFICATION PROPOSAL No. 0672
"Amendments to facilitate the unbundling of Supply Meter ownership and associated
works in accordance with the Review of Gas Metering Arrangements (RGMA)"
Version 1.0

Date: 09/12/2003

Proposed Implementation Date: 12/07/2004

Urgency: Non-Urgent

Justification

To ensure consistency with one of the original objectives of the Review of Gas Metering Arrangements (RGMA) project to facilitate competition in metering, Transco intends to separate its metering activity from its transportation activity and develop new systems and contracts in support of this. The scope and timing of these changes have been the subject of consultation by Ofgem and discussion at various industry groups within the remit of the RGMA programme.

Whilst Transco's Gas Transporters' licence will continue to contain conditions relating to metering services, these will be provided via separate contracts, systems and processes. Changes to the Network Code which at present contains provisions relating to metering are therefore necessary to facilitate this requirement. The changes contained within the 'Nature of Proposal' section (below) have been identified by the Meter Asset/Work Unbundling sub-group of the Supply Point & Billing Workstream.

Nature of Proposal

Modification of the Network Code is required to support competition in supply metering. The following areas are addressed by this Modification Proposal:

- Amendments to the definition of a Supply Meter Installation.

Changes to sections M1.2 and M1.3 are required which relate primarily to removal of the terms 'Daily Read Equipment' and 'Meter Housings' from the definition of a Supply Meter Installation.

- Removal of provisions relating to Transco providing a Supply Meter Installation.

Transco currently has obligations to provide, install, repair and maintain Supply Meters on behalf of Registered Users. These are contained within section M2.2. It is proposed that these provisions be removed as it is intended that Transco's commercial arrangements associated with Supply Meters will be discharged through separate metering contracts. Miscellaneous changes are also required to section M2.1 to ensure consistency with this approach.

- Amendment of Meter by-pass provisions.

Amendment is required to place the decision on whether a meter by-pass is fitted with the Registered User and to remove references to the Meter by-pass policy (which will be replaced by new provisions governing bypass installation and use within the proposed Codes of Practice for Meter Asset Managers). Inclusion of provisions to allow Registered Users to permit alternative short term means of by-passing the meter are required and amendment to the notification procedures and calculation methodology to determine the amount of gas offtaken while a bypass or alternative arrangement is in operation, is necessary.

- Removal of provisions relating to Transco undertaking Siteworks to modify or replace Supply Meter Installation.

Amendment of the Siteworks definition (G7.1.1) is required to exclude works on the Supply Meter Installation.

- Miscellaneous updates to references to metering legislation/safety.

A number of updates to references to relevant legislation (including safety) contained within Section M2.1 are required.

- Other miscellaneous changes.

Minor amendments are required to the Prepayment Meter provisions contained within section M2.5.

Purpose of Proposal

The purpose of this Modification Proposal is to reflect within the Network Code the separation of Transco's transportation and supply metering activities. This measure is consistent with Transco's GT Licence Relevant Objective of securing effective competition between relevant shippers and between relevant suppliers.

Consequence of not making this change

The Network Code would not reflect the separation of Transco's gas transportation and supply metering activities.

Area of Network Code Concerned

Principal Document Sections M1 & 2.

Proposer's Representative

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Proposer

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Network Code Development

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