

## **Draft Modification Report**

### **Introduction of provisions to permit a User to change the supplier identity at a Supply Point without submitting a Confirmation and the removal of the associated requirement to procure an Opening Meter Reading.**

#### **Modification Reference Number 0663**

Version 1.0

This Draft Modification Report is made pursuant to Rule 8.9 of the Modification Rules and follows the format required under Rule 8.9.3.

## **1. The Modification Proposal**

- To remove the need for Users to procure an Opening Meter Reading where a change is made to the supplier identity recorded on the Supply Point Register but no change is made to the User identity and/or the Supply Point configuration.
- To render optional the existing mandatory requirement to change the identity of the supplier recorded on the Supply Point Register by Supply Point Confirmation where the identity of the Registered User does not change and to introduce new provisions permitting the supplier identity to be changed in such circumstances without having to undertake a Supply Point Confirmation.
- To correct an error contained within Section M3.8.1. which refers to the 'Supply Meter Point configuration'. This should read 'Supply Point configuration'.

## **2. Transco's Opinion**

It is Transco's opinion that this Modification Proposal should be implemented.

Currently, Section G2.5.10 of the Network Code provides that in all instances where a User wishes to record a change to the relevant supplier of a Supply Point, such change must be actioned by submission of a Supply Point Confirmation (preceded by a Supply Point Nomination where required). In addition, where this change concerns a Supply Point comprising one or more Non Daily Metered Supply Meter Points, there is a Opening Meter Reading requirement as per Section M3.8.1 of the Network Code.

This Modification Proposal facilitates amendment of the relevant supplier recorded against a Supply Point in the Supply Point Register where there is no change to the Registered User. Such amendment does not impact upon any change to Transco's demand attribution or invoicing processes and yet currently, can only be facilitated via the Supply Point Administration processes with its associated notice period and data requirements. An opening meter read is also required.

This Proposal advocates the use of a 'fast-track' facility to action a change to the relevant supplier recorded by Transco against a Supply Point . This facility would allow a User to

submit a smaller quantity of information (in comparison to a Supply Point nomination / confirmation) and would not be subject to notice periods (the update would have immediate effect once Transco's SPA system processes the file). It is important to note that the data provided by Transco in response to such a file would be minimal (likely to constitute confirmation of acceptance of the file or the reason for rejection). Use of the Supply Point nomination / confirmation process to action a change to the relevant supplier would remain as an option should a User require a more comprehensive set of transfer data including receipt of an estimated opening read (in the event the User did not wish to provide an Opening Meter Read).

It is anticipated that 'fast track' functionality would enhance the options available to a User for administering its portfolio. Currently, a User is permitted only one supplier identifier to be created per supplier organisation. Transco has Licence and Network Code obligations (G2.5.10) to record such information. In support of this proposal Transco intends to facilitate the creation of multiple supplier identifiers against single organisations; e.g. ABC1, ABC2, etc. This provides an opportunity for Users to introduce flexibility within their internal portfolio management processes, for example, by sub-dividing Supply Points by market sector, etc.

To take advantage of this new facility Users would have to amend the supplier identity recorded against the relevant Supply Points on Transco's Sites & Meters database. It is believed that the changes envisaged by this Modification Proposal would enable a User to manage its portfolio in the area of supplier identities more effectively.

It is generally accepted that the 'transfer read' generated by Transco and disseminated to the incoming and outgoing Users in the confirmation process only adds value where the two Users concerned are different companies. In the event that there is no change in User identity, the 'transfer reads' are currently submitted by Transco to the same User and are, therefore, superfluous. It is therefore proposed that the mandatory opening read requirement in these circumstances be removed. Note: Where an Opening Meter Reading was not provided to Transco, a notional meter reading would continue to be generated and submitted to the User. The User may choose to utilise or discard the estimate. Based on a further recommendation of the Workstream, Transco has initiated a Pricing Consultation to set to zero the existing estimated read charge for Smaller Supply Points.

### **3. Extent to which the proposed modification would better facilitate the relevant objectives**

Implementation of this Modification Proposal would allow Users to action changes to the relevant supplier recorded at a Supply Point in a shorter timescale and more efficiently than is currently achievable through the Supply Point nomination/confirmation process. This measure is consistent with Transco's GT Licence Relevant Objective of the securing of effective competition between relevant shippers and relevant suppliers, and in the removal of unnecessary data generation and notice requirements in the defined circumstances, facilitates the efficient discharge of Transco's obligations in the GT Licence in respect of Standard Condition 5(8) which obliges Transco to record the relevant supplier which has from time to time supplied gas to the premises in question.

**4. The implications for Transco of implementing the Modification Proposal , including  
a) implications for the operation of the System:**

No implications for the operation of the system have been identified.

**b) development and capital cost and operating cost implications:**

Transco would incur costs in amending its UK-Link system. The extent of these costs has not been identified at this stage.

**c) extent to which it is appropriate for Transco to recover the costs, and proposal for the most appropriate way for Transco to recover the costs:**

Transco does not propose any additional cost recovery

**d) analysis of the consequences (if any) this proposal would have on price regulation:**

No such consequences have been identified.

**5. The consequence of implementing the Modification Proposal on the level of contractual risk to Transco under the Network Code as modified by the Modification Proposal**

Implementation of this Modification Proposal would not increase the level of Transco's contractual risk.

**6. The development implications and other implications for computer systems of Transco and related computer systems of Users**

Transco would be required to make changes to its UK Link system to facilitate implementation of this Modification Proposal. Users who wish to take advantage of the 'fast track' facility would be required to implement systems functionality to issue and receive the appropriate communications.

**7. The implications of implementing the Modification Proposal for Users**

Users would be required to make a commercial decision based on their data requirements in assessing which method of supplier identity change to utilise. No further implications have been identified.

**8. The implications of implementing the Modification Proposal for Terminal Operators, Consumers, Connected System Operators, Suppliers, producers and, any Non-Network Code Party**

No such implications have been identified.

**9. Consequences on the legislative and regulatory obligations and contractual relationships of Transco and each User and Non-Network Code Party of implementing the Modification Proposal**

This Modification Proposal is consistent with Transco's obligation under its GT Licence to record the relevant supplier which has from time to time supplied gas to the premises in question.

**10. Analysis of any advantages or disadvantages of implementation of the Modification Proposal**

Advantages:

- provides a supplementary method for Users to reflect changes to the relevant supplier at a Supply Point.
- supplementary method offers a reduced administrative burden on Transco and Users.
- the optional use of Supply Point nomination / confirmation is retained should a User require the complete transfer dataset.

Disadvantages:

- no disadvantages have been identified.

**11. Summary of the Representations (to the extent that the import of those representations are not reflected elsewhere in the Modification Report)**

Representations are now sought.

**12. The extent to which the implementation is required to enable Transco to facilitate compliance with safety or other legislation**

Implementation is not required to facilitate such compliance.

**13. The extent to which the implementation is required having regard to any proposed change in the methodology established under Standard Condition 4(5) or the statement furnished by Transco under Standard Condition 4(1) of the Licence**

This Modification Proposal is not required to facilitate any such change.

**14. Programme of works required as a consequence of implementing the Modification Proposal**

Transco would be required to make changes to its UK Link system to facilitate implementation of this Modification Proposal.

**15. Proposed implementation timetable (including timetable for any necessary information systems changes)**

It is anticipated that the timing of any necessary system changes would be concluded following Transco Metering Separation (RGMA) 'cutover'.

**16. Recommendation concerning the implementation of the Modification Proposal**

Transco recommends that this Modification Proposal be implemented.

**17. Text**

**SECTION G: SUPPLY POINTS**

*Amend Paragraph 2.5.10 to read as follows:*

2.5.10 Every Supply Point Confirmation shall specify (in addition to what is required in paragraph 2.6 and 2.7) the identity of the proposed supplier; and in any case where upon a change of the identity of the supplier a User continues to be a Registered User in respect of a Supply Point, such User shall either submit a Supply Point Confirmation or notify Transco, by such method as Transco shall require, (such method to be notified to Users from time to time) the identity of the new supplier as soon as reasonably practicable after such change of identity. By notifying Transco of the identity of the new supplier, such User warrants to Transco that such new supplier (or if there is more than one supplier, the suppliers between them) has (or have) warranted to the User that there will be in force a contract or contracts (including a deemed contract pursuant to paragraph 8(1) or 8(2) of the Gas Code) for the supply to the consumer of the gas offtaken by such User from the System at the Proposed Supply Point

**ANNEX G1**

*Amend Annex G1 to add the following:*

(x) change in supplier where there is no change of Registered User in respect of a Supply Point.

**SECTION M: SUPPLY POINT METERING**

*Amend Paragraph 3.8.1 to read as follows:*

3.8.1 Where a User submits a Supply Point Confirmation which becomes effective for a Proposed Supply Point which includes one or more NDM Supply Meter Points, this paragraph 3.8 applies in respect of the Non-Daily Read Meter installed at each such Supply Meter Point provided that this paragraph 3.8 shall only apply where the Supply Point Confirmation submitted by a User records a change to one or more of the User identity or the Supply Point configuration.

***Representations are now sought in respect of this Draft Report and prior to Transco finalising the Report***

Signed for and on behalf of Transco.

Signature:

**Leah Fry**  
**Customer Account Manager**  
**Support Services**

Date: