

**Draft Modification Report**  
**Transitional Provisions for the Meter Asset Service Standard**  
**Modification Reference Number 0648**

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**

Transco is proposing that the provisions for the service standard relating to updating relevant Meter Information in Section M2.7 of the Network Code which is to be removed as part of the implementation for Modification Proposal 0565, are transferred to the Transitional Arrangements until Metering Separation. To facilitate compatibility with Modification Proposal 0565, a minor change will be required in respect of the provisions relating to the Compensation Group name, relevant aggregate requirement and removal of Network Code references to redundant standards. The proposed implementation date of this Modification Proposal is linked to the implementation date for Modification Proposal 0565.

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

Transco is of the opinion that, as the Metering Separation date is still being discussed by the Industry, it should make arrangements for the existing provisions for the meter asset standard to continue after the implementation of Modification Proposal 0565 on 1 October 2003. When Modification Proposal 0565 "Transco Review of the Network Code Standard of Service" is implemented on 1 October 2003, the existing service standard for Meter Asset Updates (TSOS40 and TSOS40a) will cease. The Standards of Service Development Work Group identified that there may be a potential gap between the implementation of Modification Proposal 0565 and the Metering Separation date and agreed that this should be reviewed when the dates for both had been confirmed.

The timing for raising this Modification Proposal by Transco has been contingent on the outcome of other Industry discussions ie. Metering Separation. As the existing meter asset standard and associated liabilities would cease on 1 October 2003 it requested Ofgem to consider Urgent status for this proposal. This request was subsequently rejected by Ofgem as detailed in its response dated 15th September 2003.

Transco has considered this service standard to ensure compatibility within the new Standards of Service regime as developed through Modification Proposal 0565. The proposed revisions and reasons for the requirements are shown below:

- Relevant Aggregate Requirement - As the Relevant Aggregate Requirement is no longer part of the new standards of service regime as developed regime under Modification Proposal 0565, this needs to be removed from this standard.

- **Compensation Group Name** - All the Compensation Groups were revised as part of the development of Modification Proposal 0565 and the existing group name for this standard 'D' is no longer relevant ie. it now relates to DM Suppressed Reconciliation. Transco is proposing Compensation Group L based on its synergies with related service standards for query resolution on meter assets and its financial value of £10,000,000 for the Compensation Year.
- **Network Code References** - Removal of the Network Code references for those standards that have been removed from the existing standards of service regime following development of Modification Proposal 0565 need to be deleted ie.G4.6.1 (Notification of Supply Point Confirmations).

Transco has raised this Modification Proposal following the commitment it gave at the last Standards of Service Development Work Group meeting to review any potential gap period for this standard between the implementation of Modification Proposal 0565 and Metering Separation date. Although the latter is still under discussion, Transco's decision to progress this Modification Proposal now rather than at a later date (ie. when the discussions had been concluded with a confirmed Metering Separation date), was made to minimise any potential cessation period of this service standard which was a concern raised by Users.

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

The retention of this service standard would better facilitate the relevant objectives by continuing to incentivise Transco's to pass on data in a timely manner. This is helpful to both shippers and suppliers and will support supply competition and is a contributing factor to the efficient and economic operation of the System.

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

No such implications have been identified.

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

No such implications have been identified.

**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's costs would be treated as normal operating costs.

**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**

Transco's contractual risk will increase as a consequence of implementing this Modification Proposal given that following the implementation of Modification Proposal 0565 no standard will exist from 1 October 2003.

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

No system implications have been identified by Transco. Transco is not aware of any system implications for Users.

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

Transco will continue to be financially incentivised to pass on data in a timely manner and Users will continue to receive liability payments where Transco fails to meet its performance for this service standard.

**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**

No legislative or regulatory obligations have been identified.

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

Transco considers that the advantage of implementing this Modification Proposal is that Transco will continue to be incentivised to pass on data in a timely manner and Users will

continue to receive liability payments where Transco fails to update and provide relevant meter information to Users within a given time frame.

Transco cannot identify any disadvantages for Users should this Modification Proposal be implemented.

**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 of this Modification Proposal is not required to enable Transco to facilitate compliance with safety or other legislation.

**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 proposal is not required to facilitate any such change.

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

Implementation would not require any changes to systems and processes. Only if the implementation date did not coincide with the implementation date of Modification Proposal 0565 would the payment system need to be suppressed temporarily.

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

Transco proposes that this Modification Proposal be implemented as soon as possible following Ofgem's determination.

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

Transco recommends implementation of this Modification Proposal.

**17. Text**

The following shall be added as a new paragraph 8.10.3 to Part II of the Transition Document:-

“8.10.3 M2.7 From 1 October 2003 until the Metering Separation Date, the following shall apply:-

- (1) Where as a result of any Meter Installation Works undertaken (pursuant to Section M2.2.2 or otherwise) by Transco in relation to an applicable Supply Meter Point, the relevant Meter Information recorded in the Supply Point Register ceases to be accurate, Transco will after completing such works:
  - (i) amend the Supply Point Register so as to record the change in relevant Meter Information required as a result of such works, and
  - (ii) provide to the Registered User details of the amendment made pursuant to paragraph (i).
- (2) For the purposes of this paragraph 8.10.3:
  - (a) an “**applicable**” Supply Meter Point is a Supply Meter Point, other than an NTS Supply Meter Point or Supply Meter Point comprised in a VLDMC Supply Meter Point Component, in relation to which Transco provides (in accordance with Section M2.2) the Supply Meter Installation;
  - (b) references to a Supply Meter Point include a New Supply Meter Point, and accordingly references to a change in relevant Meter Information includes the creation of initial relevant Meter Information;
  - (c) relevant Meter Information is such Meter Information as is specified for the purposes of Section M2.7 in the UK Link Manual;
  - (d) in relation to any calendar month and any User, a “**relevant**” Supply Meter Point is an applicable Supply Meter Point of which the User is Registered User and in relation to which the Meter Installation Works referred to in paragraph (1) were completed in that month,
  - (e) a relevant Supply Meter Point will not be treated as one in relation to which Transco did not comply with paragraph (1) where Transco was unable to comply with paragraph (1) by reason of Force Majeure;
  - (f) in relation to any relevant Supply Meter Point, any period within which Transco is to comply with paragraph (1) runs from the Business Day after the relevant Meter Installation Works (therein referred to) were completed,

- (3) Paragraphs (4) and (5) shall apply separately in relation to relevant Supply Meter Points whose Annual Quantities exceed, and do not exceed, 293,000 kWh (10,000 therms).
- (4) Transco will comply with paragraph (1) within 5 Business Days in respect of at least 95% of relevant Supply Meter Points in relation to each User, in relation to each calendar month.
- (5) If, in relation to any calendar month and any User, Transco does not comply with the requirement in paragraph (4), Transco will pay to the User an amount calculated as:

$$((0.95 * M) - N) * Q$$

where for the relevant month and the relevant User:

M is the number of relevant Supply Meter Points;

N is the number of relevant Supply Meter Points in respect of which Transco did not comply with paragraph (4);

- Q is the relevant percentage of £10 in relation to relevant Supply Meter Points whose Annual Quantities exceed 293,000 kWh (10,000 therms), and of £2 in relation to relevant Supply Meter Points whose Annual Quantities do not exceed 293,000 kWh (10,000 therms).
- (6) If, in relation to a Supply Meter Point which is a relevant Supply Meter Point in any calendar month and of which the User continues to be the Registered User until the end of such 20 Business Day period, Transco does not comply with paragraph (1) within 20 Business Days, Transco will pay to the User the relevant percentage of £30 in relation to relevant Supply Meter Points whose Annual Quantities exceed 293,000 kWh (10,000 therms), and of £5 in relation to relevant Supply Meter Points whose Annual Quantities do not exceed 293,000 kWh (10,000 therms).
  - (7) For the purposes of Section V13, the rules in paragraph (5) and (6) are Compensation Rules within Compensation Group L and in relation thereto the 'payment month' is the second month following that in which the Meter Installation Works were completed.
  - (8) Where in any month the aggregate amount payable by Transco under this paragraph 8.10.3 would exceed the relevant amount provided in paragraph (5), the amounts payable to Users in respect of that month shall be reduced pro rata.
  - (9) The provisions of Sections G4.9.1 and 4.11 (in each case after the application of paragraphs (5) and (6)) apply for the purposes of this paragraph 8.10.3, which is subject to those provisions."

***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:

**Sara A Higgins**  
**GT Metering Manager**

**Support Services**

Date: