

TRANSCO NETWORK CODE MODIFICATION PROPOSAL No. 0406

"Failure to obtain Meter Readings - Removal of PGT obligations to procure meter readings with respect to Annual Read Meters"

Version 1.0

Date: 12/06/2000

Proposed Implementation Date:

Urgency: Non-Urgent

Justification

Transco is required to use 'reasonable endeavours' to procure meter readings where a User fails to meet its Network Code obligations (M3.5) to obtain a Valid Meter Reading at least once every two years. Where in these circumstances Transco obtains a meter reading, the shipper will be charged. This requirement is commonly termed a 'must read' and was originally incorporated in the Network Code to ensure maintainance of the integrity of data supporting the Annual Quantity (AQ) derivation and Non-Daily Meter (NDM) reconciliation processes.

For the purpose of clarity, it is important to draw a distinction between a meter inspection as defined by the Supplier Licence Condition 23 and a Network Code 'must read'. When it is necessary for Transco to obtain a 'must read', the implication is that a supplier may already be in breach of Condition 23 of its licence which stipulates that a supplier should undertake a Meter Inspection (including a meter reading) at least once every two years. Transco undertaking its current Network Code obligation and procuring a 'must read' does not discharge the supplier's licence obligation to undertake a Meter Inspection. Meter readings are required under the Network Code for the purposes of NDM reconciliation and AQ calculation. Since the introduction of RbD, with respect to Supply Points <73,200 kWh, meter readings are required solely for AQ derivation.

As suppliers already have obligations (via their shippers) to furnish Transco with meter readings as part of undertaking a Meter Inspection, Transco believes that the requirement for it to procure 'must reads' with respect to Annual Read Meters is redundant.

Nature of Proposal

Modification of the Network Code is proposed to remove Transco's existing reasonable endeavours obligation to procure a meter reading where a User fails to comply with Section M3.5.1(i) in circumstances where the meter is a Relevant Annual Read Meter.

Purpose of Proposal

The present Network Code obligation on Transco to procure annual meter readings where a User has failed in the timely provision of such readings as required by Code is neither efficient nor

economic. Transco's view is that the potentially high industry cost associated with this now redundant activity and the limited value of such data is not consistent with its relevant objectives.

Consequence of not making this change

The industry will continue to bear significant costs associated with maintaining the 'must read' activity with respect to annual read meters.

Area of Network Code Concerned

Principal Document Section M3.6.

Proposer's Representative

Christopher J Warner (Transco)

Proposer

Tim M Davis (Transco)

Signature