

## Memo

To: Andrew Green  
Company: Total Gas & Power Ltd  
From: Gareth Evans  
Date: 5<sup>th</sup> March 2012

**SUBJECT: UNC Modification 0410 business rules to determine unregistered site gas cost**

### 1. Scope of Process

- 1.1. The process described below applies when a consumer premise is assigned an MPRN and offtakes gas, without a Shipper being assigned to that site.
- 1.2. It does not apply when:
  - 1.2.1. A premise has connected to the network without being assigned an MPRN (this is covered by processes dealing with theft in conveyance).
  - 1.2.2. A premise that has connected to the network and has been assigned an MPRN, but has not had a meter fitted when investigated (this is covered by processes dealing with theft in conveyance).
  - 1.2.3. A site has connected to the network and has been assigned an MPRN, but has not offtaken any gas as determined under section 3 of this document (site is currently adhering to the UNC provisions, specifically TPD G7.3.3).
- 1.3. This process will only apply to sites where an MPRN has been issued after the Modification has been implemented following an Authority decision.

### 2. Process Trigger

- 2.1. The process is triggered when a site that has been assigned a MPRN and:
  - 2.1.1. is registered to a Shipper from the Supply Point Confirmation date and Transporters Agent do not backdate to the meter fix date in accordance with TPD G7.3.7
  - 2.1.2. is registered to a Shipper and no Meter Fix date has been provided for that site ie the site is supplied from the confirmation date forward.
  - 2.1.3. a Shipper indicates that a site which they have registered, has been offtaking gas prior to the confirmation date but that site has not been registered to a Shipper for that period.
  - 2.1.4. is disconnected from the network, has had a meter fitted prior to the disconnection and has never been registered with a Shipper.

2.1.5. is visited in accordance with section 3.1 and, as a result of this visit, it is believed that the site falls under the classification detailed in section 1.1.

### **3. Site visits**

- 3.1. The relevant Transporter will be required to visit every site within 12 months of the MPRN being created, where the site has not been registered with a Shipper or has not been disconnected from the system, unless informed by a Shipper under 2.1.3. This will ensure that all unregistered sites consuming gas are identified and safety and integrity of the network is maintained.
- 3.2. As part of any site visit, the relevant Transporter will be expected to:
  - 3.2.1. Determine whether the site falls under the scope of this process, as described in section 1.1 and so should be classified as an Unregistered Site.
  - 3.2.2. Where it believes that the site has been offtaking gas, obtain all relevant information to enable it to estimate the consumption of the site.
  - 3.2.3. Attempt, where possible, to ascertain from the customer whether it believes it had a supplier for the period of unregistered gas, and if so, determine who that supplier is.
- 3.3. The Transporter must provide the information referred in section 3.2 to the Transporter's Agent within 10 business days of the visit so that they may determine the amount of Unregistered Gas.
- 3.4. Where the organisation who created the MPRN is a Shipper, then the Transporter may seek to recover any reasonable costs incurred in visiting the site
- 3.5. This process does not preclude the relevant Transporter from recovering its costs under any other form of agreement between the Transporter and the Siteworks Applicant.

### **4. Estimation of Gas Use**

- 4.1. The Transporter's Agent will attempt to determine the gas used by the Unregistered Site ("Unregistered Gas") from the information available to it, as well through discussions with the Shipper or relevant Transporter (as applicable).
- 4.2. If the Transporter's Agent believes it has insufficient information to adequately determine the level of Unidentified Gas, then it may request a site visit by the Transporters, which will be undertaken as soon as possible.
- 4.3. The Transporter's Agent will attempt to calculate the Unregistered Gas within 30 calendar days where the process has been triggered. Where a site visit has been requested in accordance with section 3.2, the process trigger will be taken from the date of the site visit.
- 4.4. The Shipper or the Transporter may provide at any time an estimate of Unidentified Gas at the site, prior to the deadline for calculating the site's consumption as set out in section 4.3. The Transporter's Agent will have sole discretion on whether to accept the estimate provided.
- 4.5. Unidentified Gas will be determined using the following mechanisms:
  - 4.5.1. Where possible, from Meter Readings obtained through any site visit or from the customer (with appropriate CVs or other conversion measurements applied).

4.5.2. Where sufficient Meter Readings are not available the estimate will be determined from any information available through investigation all relevant industry parties, including meter asset manager. The investigation should also consider other relevant factors such as the size of the property, meter installation date, nature of gas use etc.

4.6. In all cases, the organisation providing the Unidentified Gas estimation will use all reasonable endeavours to estimate the total consumption site for the period.

## **5. Calculation of Gas Cost**

5.1. The total cost of the Unregistered Gas (“Unregistered Gas Cost”) will be determined by multiplying the Unregistered Gas for the site by the annual SAP for the financial year prior to the calculation of the gas estimation being undertaken. For example if an Unregistered Site’s use is calculated in June 2012, then the average SAP for the financial year 2011-2012 will be utilised.

## **6. Unregistered Gas Charges**

6.1. The Transporter’s Agent will notify the responsible party of the intention to invoice at least 30 calendar days prior to the invoice being issued.

6.2. The Unregistered Gas Cost will be charged to the organisation that created the MPRN (the Shipper or the relevant Transporter) at the next available opportunity, subject to section 6.1.

## **7. Process for when a Shipper has provided the meter fix date**

7.1. G7.3.7 currently allows for a Shipper to be assigned a site’s consumption back to the Meter Fix Date, where the same Shipper supplies the Meter Fix Date as well as the Supply Point Confirmation.

7.2. If a Shipper created the MPRN and receives an Unregistered Gas invoice for that site, then it may either submit a Supply Point Confirmation for that site (and so have the gas use for that site assigned to them back to the Meter Fix Date) or pay the invoice.

7.3. Where the Shipper has paid the Unregistered Gas invoice for a site and subsequently registers that site’s gas consumption back to the Meter Fix Date, then the Shipper may claim back the invoiced amount.

7.4. If section 7.3 applies then no payment will be made by the Transporter’s Agent to the Shipper until sufficient Unregistered Gas charge payments have been received to cover the repayment.

## **8. Unregistered Gas Charges Redistribution**

8.1. Unregistered Gas Charges will be redistributed on a monthly basis, at the same time as AUGE charges are levied on Shippers.

8.2. The Unregistered Gas Charges will be distributed amongst Shippers in accordance with their User SPC Aggregate AQ Proportion for the Smaller SPC class ( as determined in accordance with TPD E10.5)

8.3. The Transporter’s Agent will use reasonable endeavours to include any Unregistered Gas payments received in the next monthly invoice.

## **9. Changes to the AUGE process**

- 9.1. The AUGE will take into account the amount of Unregistered Gas that is charged for through this process when compiling the AUGE Statement.
- 9.2. To allow this the Transporter's Agent will in good time provide to the AUGE details for each site that has been identified under this process:
  - 9.2.1. The location of each site.
  - 9.2.2. The estimated Unregistered Gas used by that site.
  - 9.2.3. Where possible, the nature of that site.
  - 9.2.4. Whether the site has been registered with a Shipper, disconnected or otherwise resolved.
  - 9.2.5. Whether a charge has been levied for that site and whether that charge has been paid.
- 9.3. The AUGE will subtract any Unregistered Gas for that site has been charged from the final Unidentified Gas volumes included in the AUGE table.