










Stage 01: Modification		At what stage is this document in the process?
<div>0XXX: <i>(Joint Office to insert number)</i></div> <div>Requiring an Opening Meter Reading at same User Confirmation</div>		<div>01 Modification</div> <div>02 Workgroup Report</div> <div>03 Draft Modification Report</div> <div>04 Final Modification Report</div>
This Modification would require Users to provide an Opening Meter Reading in the event of a Reconfirmation – i.e. the Proposing User is the Existing User. Where such a reading has not been provided Transporters would create an estimated Meter Reading.		
	The Proposer recommends that this modification should be: <ul style="list-style-type: none">assessed by a Workgroup	
	Medium Impact: Shipper Users, Transporters	

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About this document:		 Any questions?
This modification will be presented by the proposer to the panel on 19 th May 2016.		Contact: Code Administrator
The panel will consider the proposer’s recommendation and agree whether this modification should be:		 enquiries@gasgovernance.co.uk
• referred to a workgroup for assessment.		 0121 288 2107
The Proposer recommends the following timetable:		Proposer: Andy Clasper
Initial consideration by Workgroup	26 th May 2016	 andy.clasper@nationalgrid.com
Workgroup Report presented to Panel	16 th June 2016	 01926 655299
Draft Modification Report issued for consultation	16 th June 2016	Transporter: National Grid Distribution
Consultation Close-out for representations	7 th July 2016	Systems Provider: Xoserve
Final Modification Report published for Panel	20 th July 2016	 commercial.enquiries@xoserve.com
UNC Modification Panel decision	21 st July 2016	

1 Summary

Is this a Self-Governance Modification?

This modification is proposed to be subject to self governance as it is not expected to have a material impact upon, or discriminate, against any parties. This modification relates to same Shipper confirmation and facilitates more transparent allocation of gas across variance periods.

Is this a Fast Track Self-Governance Modification?

This modification is not proposed as a fast track modification as it is not an administrative change to the Code.

Why Change?

Modification of the UNC is required to correct an inconsistency between the proposed legal text for Modification 0432 and the Meter Read and Settlement BRD, section 5.9.8 which states: "Where the current Registered Shipper submits a Re-confirmation for a Supply Meter Point, no change to Product, the old Confirmation will be end dated and a new Confirmation Reference will be issued to the Shipper. An Opening read will be estimated if a read is not provided and a notification issued to the Shipper." The Legal Text for Modification 0432 currently states that reconfirmations will be excluded from this process as detailed in TPD Section M5.13.2.

This approach would ensure consistent processes for all Supply Point Confirmations, including reconfirmation processes, providing simplified industry processes and solutions.

Solution

Opening Meter Readings are currently not required for Supply Point reconfirmations.

It is proposed to remove the condition (TPD Section M5.13.2 (introduced as part of UNC Modification 0432)) which restricts the requirement for an Opening Meter Reading to 'new' Users (i.e. transfers of Supply Point Registration) and introduces a requirement for an Opening Meter Reading to be provided in all circumstances where a Supply Point Confirmation is submitted.

The requirement to record Opening Meter Readings applies to reconfirmations submitted prior to the Project Nexus Implementation Date therefore Transitional Rules would apply.

Relevant Objectives

This Modification would further GT Licence relevant objective f) 'Promotion of efficiency in the implementation and administration of the Code' and GT Licence relevant objective c) 'Efficient discharge of the licensee's obligations' as it will enable consistent treatment of confirmation processes.

Implementation

As self-governance procedures are proposed, implementation could be sixteen Business Days after a Modification Panel decision to implement, subject to no Appeal being raised.

Does this modification impact a Significant Code Review (SCR) or other significant industry change projects, if so, how?

This Modification is required to support implementation of the UK Link Replacement programme (which incorporates the changes required for Project Nexus). This is because it assists with transition to and maintenance of the requirements set out in the Project Nexus Business Requirement Documentation. There is no impact on the Ofgem SCR.

2 Why Change?

The UNC TPD Section M sets out the requirements for Opening Meter Reading submission; Supply Point reconfirmations are excluded from this requirement.

This modification is required to correct an inconsistency between the proposed legal text of Modification 0432 and the Meter Read and Settlement BRD, section 5.9.8 (completed after the Legal Text for Modification 0432 was drafted) which states: "Where the current Registered Shipper submits a Re-confirmation for a Supply Meter Point, no change to Product, the old Confirmation will be end dated and a new Confirmation Reference will be issued to the Shipper. An Opening read will be estimated if a read is not provided and a notification issued to the Shipper." The Legal Text for modification 0432 currently states that reconfirmations are excluded from this process as detailed in M5.13.2.

This approach would ensure consistent processes for all Supply Point confirmation, including reconfirmation processes, providing simplified industry processes and solutions.

Currently at Supply Point reconfirmation a variance period is created. This variance period has the effect of apportioning reconciliation energy to specific periods. The energy apportionment is not explicitly passed to Users until such time as an Individual Meter Point reconciliation takes place. This modification proposes that Shippers are required to provide an Opening Meter Reading for all Supply Point Confirmation activity including where there is no change of Registered User. Where a User is unable to provide such Meter Reading the Transporter shall provide an estimated Opening Meter Reading. Such estimated Opening Meter Reading may be replaced in line with the prevailing Read Replacement rules.

As a reconfirmation will trigger an Individual Meter Point Reconciliation, this change will consequently improve the timeliness of reconciliations.

It should be noted that during development of UNC Modification 0576 the Workgroup agreed that the estimated Opening Meter Reading shall take account of the Weather Correction Factor consistent with the revised approach defined in UNC Section H 2.2.1 as introduced in Modification 0432 to be implemented at Project Nexus Implementation Date. This same approach was discussed explicitly in the context of the scenario detailed in this modification. This shall be applied for both transitional and enduring calculation processes.

In addition the workgroup proposed that Meter Readings submitted as part of the Annual Quantity (AQ) Amendment process be considered in order to calculate the estimated Meter Read as part of the transitional process. This same approach was discussed explicitly in the context of the scenario detailed in this modification.

3 Solution

It is proposed that Opening Meter Readings are recorded for all Supply Point Confirmations, including reconfirmations by the same Registered User, following the Project Nexus Implementation Date. Currently reconfirmations are excluded from this as detailed in TPD M5.13.2.

Whilst this would be an enduring process, there is also a transitional aspect to support migration to the UK Link system incorporating the Project Nexus requirements. In this respect transitional terms are required as follows.

- An Opening Meter Reading is required for Re-confirmations (i.e. where it has not been superseded by a subsequent confirmation) provided that the effective date of this confirmation is

after the 1st April in the Formula Year (t) t-6. This requirement is necessary regardless of whether a subsequent Meter Reading has been recorded on UK Link Systems.

- A Shipper User may subsequently replace such Opening Meter Reading subject to the prevailing read replacement rules – i.e. such reading is subsequent to the Code Cut Off Date.

Where an Opening Meter Reading is not provided the Transporter will calculate an estimated Opening Meter Reading

The following business rules are to be applied to calculate an estimated Opening Meter Reading, these were discussed during development of Modification 0576:

- Where readings have been submitted during the AQ Amendment process these shall be considered as candidate readings, along with other Valid Meter Readings, from which to perform the Read Estimation on the target read date.
- Valid Meter Readings reads and/or AQ Amendment Readings available before and / or after the target read date these shall be used to interpolate if possible, otherwise extrapolate backwards or forwards.
- In circumstances where no record of a Meter Reading is available a Meter Reading of all zeroes would be recorded.
- Shipper Users may seek to replace any estimated Meter Readings on or after the Code Cut Off Date with an actual Meter Reading provided that the estimated Meter Reading is within the period of that User's Supply Point Registration.

User Pays	
Classification of the modification as User Pays, or not, and the justification for such classification.	No User Pays service would be created or amended by implementation of this modification and it is not, therefore, classified as a User Pays Modification.
Identification of Users of the service, the proposed split of the recovery between Gas Transporters and Users for User Pays costs and the justification for such view.	N/A
Proposed charge(s) for application of User Pays charges to Shippers.	N/A
Proposed charge for inclusion in the Agency Charging Statement (ACS) – to be completed upon receipt of a cost estimate from Xoserve.	N/A

4 Relevant Objectives

Impact of the modification on the Relevant Objectives:	
Relevant Objective	Identified impact
a) Efficient and economic operation of the pipe-line system.	None
b) Coordinated, efficient and economic operation of (i) the combined pipe-line system, and/ or (ii) the pipe-line system of one or more other relevant gas transporters.	None
c) Efficient discharge of the licensee's obligations.	None
d) Securing of effective competition: (i) between relevant shippers; (ii) between relevant suppliers; and/or (iii) between DN operators (who have entered into transportation arrangements with other relevant gas transporters) and relevant shippers.	Positive
e) Provision of reasonable economic incentives for relevant suppliers to secure that the domestic customer supply security standards... are satisfied as respects the availability of gas to their domestic customers.	None
f) Promotion of efficiency in the implementation and administration of the Code.	None
g) Compliance with the Regulation and any relevant legally binding decisions of the European Commission and/or the Agency for the Co-operation of Energy Regulators.	None

This Modification would further GT Licence relevant objective d) 'Securing of effective competition between relevant Shippers and relevant Suppliers' by enabling transparency and enables, where available, actual consumption information be provided against the relevant period.

It would also further GT Licence relevant objective c) 'Efficient discharge of the licensee's obligations' as it will enable consistent treatment of confirmation processes.

5 Implementation

As self-governance procedures are proposed, implementation could be sixteen business days after a Modification Panel decision to implement, subject to no Appeal being raised.

6 Impacts

Does this modification impact a Significant Code Review (SCR) or other significant industry change projects, if so, how?

This Modification is required to support implementation of the UK Link Replacement programme (which incorporates the changes required for Project Nexus) as it assists transition to and maintenance of the requirements set out in the Nexus Business Requirement Documentation.

Pre Project Nexus Implementation

The changes would affect the UK Link Replacement programme prior to implementation. This is because the approaches identified within this Modification are necessary to efficiently migrate data to the target system.

Project Nexus Implementation

The changes identified within this Modification would be applicable on an enduring basis.

7 Legal Text

Text Commentary

To be provided.

Text

To be provided.

8 Recommendation

The Proposer invites the Panel to:

- Determine that this modification should be subject to self-governance; and
- Progress to Workgroup assessment.