

Primary & Sub-deduct metering – Isolation of analytical meters

- ◆ Modification Proposal 0675 implemented 12 July 2004.
 - ◆ New Isolations regime.
 - ◆ Isolation Siteworks Agreement defunct (previously contained P&S Isolations provisions).
- ◆ Modification Proposal 0678 implemented 12 July 2004
 - ◆ 12 month transitional provisions for P&S metering.
 - ◆ P&S metering ‘unbundled’ into RGMA regime 12 July 2005.
- ◆ UNC silent on elements of P&S Isolation.
 - ◆ User currently able to Withdraw from Primary meter.
 - ◆ But – must ‘remove’ from Transporters network – (meter removal or clamping, etc) to procure Isolation.
 - ◆ If not Withdrawn, User must maintain meter.

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- ◆ UNC Section G1.8.1(e)(iii) states *‘a meter is a check meter where all gas which flows through the meter also flows through one or more meters (in such arrangement) downstream of that meter’*.
- ◆ Shippers expressed concern within SP/Billing Workstream that where the Primary meter becomes a ‘check’ (analytical) meter, the supplier cannot recover relevant charges from the end consumer or gain access to a property to maintain the meter.
- ◆ May reduce AQ to remove Transportation charge exposure but metering charges remain.

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- ◆ To aid discussion and place issue in context Transco has clarified its position on broader issue of responsibility for Installation pipework on Sub-deduct configuration.
- ◆ Paper issued to UNC Distribution Workstream on 20 June 2005 and discussed on 23 June 2005.

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- ◆ Transco met with Ofgem on 2nd August 2005. Transco agreed to consider measures to enable:
 1. The Primary meter to remain in situ,
 2. The shipper at the Primary meter to Withdraw,
 3. Transportation charges to reflect the differing levels of service to P&S configurations.
- ◆ Transco has since considered options and is able to respond as follows:

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- ◆ Transco may be prepared to assume responsibility for ongoing provision and maintenance of a Primary ‘check’ meter (where the meter is owned by the Transporter).
- ◆ Would need to be able to recover allowable costs.
- ◆ Transco is considering possibility of UNC Modification to:
 - ◆ Permit a User to Withdraw without removing the Primary meter from the Transporter’s network.
 - ◆ The Relevant Transporter would assume an ongoing obligation to provide and maintain the Primary ‘check’ meter.
 - ◆ A User would be required to register if Primary meter assumes an independent load.

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- ◆ May be 100+ ‘analytical’ meters but exact position unclear.
- ◆ Shippers requested to identify volumetrics?
- ◆ Implementation issues?
 - ◆ Impact on processes?
 - ◆ Impact on systems?
 - ◆ Systems/invoicing issues with TM renting to a non-supplier?
- ◆ Appears feasible but any alternatives?

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- ◆ Transco does not propose to ‘differentiate’ Transportation charges to sub-deduct meters.
 - ◆ Pricing rationale:
 - ◆ Transportation customer charges do not reflect particular circumstances of each Supply Point.
 - ◆ Methodology based on analysis of how emergency costs and services costs vary with Supply Point size.
 - ◆ Variation in charges reflects relative costs for loads of different sizes.
 - ◆ E.g. For 2 x SPs with same peak capacity but with different service configurations, Customer Charge would be the same.
 - ◆ For Sub-deduct site, Transco will continue to maintain the service pipe to the Primary meter (as for other sites) and to provide an emergency service (as for other sites), so basic level of service provided is similar to other sites.