Andrew Pearce



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24 June 2005 Julian Majdanski UNC Distribution Workstream Manager Joint Office of Gas Transporters Ground Floor Red 51 Homer Road Solihull West Midlands B91 30J

Direct: 020 7496 2394 Mobile: 07900 654136 Email: **pearcear@bp.com** Dear Julian,

Modification Response: UNC Code Modification Proposal No. 0029 "Metering Arrangements at Special Metering Supply Points"

BP **supports** the proposed Urgent Modification to re-introduce Special Metering Supply Points (SMSP's) into the Uniform Network Code (UNC). In developing the framework for the competitive metering market in the UK, also known as the Review of Gas Metering arrangements or RGMA, the industry sought to achieve a model that provided for the majority of metering arrangements generally encountered. In taking this approach we recognised that a number of "types" of configurations fell outside the model that we developed.

By leaving Special Metering Supply Points and Prime and Sub configurations within the Network Code Transition arrangements we ensured they would continue to be provided for in the short term while more detailed analysis was undertaken to determine if they could be "moved" into the competitive arena.

The Meter Asset/Work Unbundling sub group was tasked with undertaking this analysis. BP were members of this sub group and the group undertook a detailed review of both the Special Metering Supply Points of which there were approximately 100 and Prime and Sub sites of which there were approximately 6,000. The group identified a number of issues relating to Special Metering Supply Points (SMSP's) including: -

- SMSP's can have "multiple" Shipping and Supply arrangements
- The Gas Act allows for some SMSP's to be provided by the Shipper
- Transco has not provided meters on any SMSP's since 1996
- The Review of Gas Metering Arrangements (RGMA) does not facilitate SMSP's and significant changes to the generic flows would be required

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The group therefore recommended that Prime and Sub meters could be provided for in the competitive market while Special Meter Supply Points should remain in the UNC.

We believe the provision of Special Metering Supply Points within the UNC is a pragmatic approach which reflects the unique nature of these sites while ensuring that as many meters as possible benefit from the competitive metering market. In addition it should also be noted that this position does not preclude a consumer from exercising its "right" to choose which party provides the Supply Meter.

I hope that you find our comments helpful. If you would like to discuss them please contact me or Steve Mulinganie on 07990 972568.

Yours sincerely,

Andrew Pearce Regulatory Affairs