

NETWORK CODE MODIFICATION PROPOSAL

SHORT TITLE: Monthly Must Read Window Extension

DATE: 25 June 1998

URGENCY: Non-Urgent

JUSTIFICATION:

The provisions in the Code require that for Relevant Monthly Read Meters valid meter readings be obtained not less frequently than once every 3 calendar months. Where a reading is not obtained within this period Transco are obligated to obtain a valid reading in accordance with the provisions of Section M. The Registered User is required to make payment to Transco for the obtaining of this read for an amount specified in the Transportation Statement.

It is recognised that the obtaining of valid meter readings is an essential part of NDM Reconciliation process. However, throughout the consultations on the Incentive Based Meter Reading Contract and impediments to competition in meter reading it was agreed by a number of Shippers that the potential for excessive "must read" penalties exist and unbundling of meter reading would heighten this risk. It was proposed that the requirement to obtain valid monthly meter readings be extended but the extension not so great as to have a derogatory impact on NDM Reconciliations.

Extending the read window will allow more time, one month, for Transco to notify Shippers of instances where access has been denied or unable to be obtained. It will also provide Shippers with more time to actively follow up these instances with their customers and return revised access information to Transco to enable a read to be obtained within the relevant time period without incursion of the "must read penalty".

CONSEQUENCE OF NOT MAKING THIS CHANGE:

Shippers may be reluctant to unbundle their meter reading to an independent Meter Reading Agency due to the potential exposure penalties on "must reads".

AREA OF NETWORK CODE CONCERNED:

Sections M3.1.6, M3.4.1

MODIFICATION TEXT:

To be supplied by Transco.

NATURE OF PROPOSAL:

Section M3.1.6 refers to the period in which Customer Reads will be accepted as a Valid Meter Reading. If the proposal to extend the "must read" period for monthly read meters from three to four months then paragraph 3.1.4 (i) should read **"in the case of a Monthly Read Meter, in the preceding 3 calendar months;"**.

To enable the proposal to be affected paragraph M 3.4.1 (i) will need to be altered to **"read not less frequently than once every 4 calendar months"**.

PURPOSE OF PROPOSAL:

To lengthen the "must read" window for monthly read meters from 3 months to four.

IDENTITY OF PROPOSER'S REPRESENTATIVE:

Company: BP Gas Marketing Limited
Name: Anna Devonish
Position: Project Manager for Meter Read unbundling
Signature:

Date Received: 030798

Reference No: 0241.