

## Stage 04: Final Modification Report

# 0416S:

## Extending the data provision permissions created by Modification 0279 regarding historic asset and read data provision

At what stage is this document in the process?



This modification seeks to extend the data provision permissions created by Modification 0279 and permit the release of data as an ongoing arrangement rather than the existing annual arrangement. In addition two non-Code User Pays services shall be created for a monthly and quarterly service.



Panel determined this self-governance modification be implemented



High Impact: -



Medium Impact: -



Low Impact: Shippers and Xoserve

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## About this document:

This document is a Final Modification Report, presented to the Panel on 20 September 2012. The Panel will consider the views presented and decide whether or not this self-governance change should be made.



**3 Any questions?**

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# 1 Summary

## Is this a Self-Governance Modification?

The Modification Panel determined that this is a self-governance modification.

## Why Change?

Currently the UNC provides for an annual service for the provision of the historic asset and read information to Shippers. However, Shippers have advised that data issues with recently acquired sites could be resolved sooner if this historic asset and read information was available throughout the year. The resolution of discrepancies in asset data and the provision of historic read information will assist Shippers with the AQ review.

## Solution

There are 2 key component parts to the solution of this modification:

- 1) Amendment to UNC TPD Section V to create the necessary permissions for the historic data to be provided to the current Registered User; and
- 2) An amendment to TPD section G1.6.21 – G1.6.25 to remove the annual service from the UNC.

In addition, and outside of the UNC, two Non-Code User Pays services are to be created, an annual monthly service (12 reports per year) for the forthcoming year, and an annual quarterly service (4 reports per year) for the forthcoming year. On implementation of this modification the two Non-Code services will be added to the Services Schedule for the Provision of Non-Code User Pays Services and included in the Agency Charging Statement (in conjunction with any necessary discussions with the User Pays User Committee).

The file format for the Non-Code User Pays Services will be the same as that provided for Modification Proposal 0279 (i.e. no development required).

This historic data can be provided for a maximum period of three years prior to the current Registered Users confirmation effective date.

Note: sites connected directly to the NTS are excluded from this proposal.

## Impacts and Costs

There are no development or implementation costs associated with the proposed changes to the UNC.

Two new Non-Code User Pays Services will be created:

- i) an annual monthly service (12 reports per year), and;
- ii) an annual quarterly report (4 reports per year).

The report has already been developed under Modification 0279, so any additional costs will be associated with the delivery of the report on a more frequent basis.

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## Implementation

As this is a self-governance modification, implementation could be 16 business days after a Modification Panel decision to implement.

## The Case for Change

Shippers have advised that on acquiring a site they are unable to assess if there are any data discrepancies until receipt of the annual report in May or June each year. The ability to request and be provided with this data throughout the year will lead to a quicker resolution of data discrepancies and minimise the impact of such data discrepancies.

## 2 Why Change?

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## 3 Solution

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- 1) Amendment to UNC TPD Section V to create the necessary permissions for the historic data to be provided to the current Registered User; and
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The file format for the Non-Code User Pays Services will be the same as that provided for Modification Proposal 0279 (i.e. no development required).

This historic data can be provided for a maximum period of three years prior to the current Registered Users confirmation effective date.

Note: sites connected directly to the NTS are excluded from this proposal.

For information and as an example, if a User requests the annual monthly service commencing in April the process would be as follows:

On the first business day in May 2012 the system is programmed to identify and supply points gained in the month of April 2012. The system will then retrieve the historic meter asset and read information for these Supply Points going as far back as the 1<sup>st</sup> May 2009. This data will be formatted and provided to the User as soon as reasonably practicable. And so on for the remainder of the period. There may be occasions during the year, e.g. the Annual Quantity review activities that occur at the end of September and start of October each year that mean the report may be delayed by a few days.

## 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

### **Achievement of relevant objective (d)(i) “Securing of effective competition between relevant shippers”**

Incoming Shippers would have access to meter read history and meter asset information to enable a more thorough AQ review process than is currently the case. The current inequity would be removed, in that there would be a level playing field for incoming Shippers relative to incumbent Shippers such that all Shippers have access to relevant information on which to base their customers AQ and this information would be available throughout the year (rather than limited to a single annual report). AQt are used for calculating transportation charges and as a fundamental component of energy allocation. More accurate AQt will lead to a more accurate allocation of transportation charges. This in turn will increase certainty in the market and may improve conditions for market entry and improve competition.

By allowing Shippers to access this data throughout the year, rather than solely via an annual report, will give them greater ability to carry out UNC processes which require accurate meter read and asset data with the most accurate data and therefore lead to a more timely correction of errors in asset data. This in turn will increase certainty in the market and may improve conditions for market entry and improve competition.

British Gas believe that as the modification will enable shippers to be selective about which read pairs they use to appeal an AQ, this could lead to manipulation of the AQ to avoid paying for the energy and hence implementation could decrease the accuracy of AQ values.

British Gas were also concerned that the modification would reduce the ability of suppliers to gain a competitive edge through investment in meter read collection, distorting the market in favour of those shippers who do little to secure meter readings.

## 5 Impacts and Costs

### Consideration of Wider Industry Impacts

There are no impacts to wider industry development.

### Costs

Indicative industry costs – User Pays	
Classification of the modification as User Pays or not and justification for classification	
This is not a User Pays modification. Non-Code User Pays services will be created if implemented, however this is outside of the UNC process.	
Identification of Users, proposed split of the recovery between Gas Transporters and Users for User Pays costs and justification	
Not applicable.	
Proposed charge(s) for application of Users Pays charges to Shippers	
Not applicable.	
Proposed charge for inclusion in ACS – to be completed upon receipt of cost estimate from Xoserve	
Not applicable.	

### Impacts

Impact on Transporters' Systems and Process	
Transporters' System/Process	Potential impact
UK Link	<ul style="list-style-type: none"> <li>None</li> </ul>
Operational Processes	<ul style="list-style-type: none"> <li>None</li> </ul>
User Pays implications	<ul style="list-style-type: none"> <li>None</li> </ul>

Impact on Users	
Area of Users' business	Potential impact
Administrative and operational	<ul style="list-style-type: none"> <li>None</li> </ul>
Development, capital and operating costs	<ul style="list-style-type: none"> <li>None</li> </ul>
Contractual risks	<ul style="list-style-type: none"> <li>Potentially minimises these risks by providing more accurate and timely provision of data</li> </ul>
Legislative, regulatory and contractual obligations and relationships	<ul style="list-style-type: none"> <li>None</li> </ul>



## Where can I find details of the UNC Standards of Service?

In the Revised FMR for Transco's Network Code Modification **0565 Transco Proposal for Revision of Network Code Standards of Service** at the following location:  
<http://www.gasgovernance.co.uk/sites/default/files/0565.zip>

Impact on Transporters	
Area of Transporters' business	Potential impact
System operation	• None
Development, capital and operating costs	• None
Recovery of costs	• None
Price regulation	• None
Contractual risks	• None
Legislative, regulatory and contractual obligations and relationships	• None
Standards of service	• None

Impact on Code Administration	
Area of Code Administration	Potential impact
Modification Rules	• None
UNC Committees	• None
General administration	• None

Impact on Code	
Code section	Potential impact
Section V	• Amendment to permit the release of data
Section G	• Amendment to remove the Annual service

Impact on UNC Related Documents and Other Referenced Documents	
Related Document	Potential impact
Network Entry Agreement (TPD I1.3)	• None
Network Exit Agreement (Including Connected System Exit Points) (TPD J1.5.4)	• None
Storage Connection Agreement (TPD R1.3.1)	• None
UK Link Manual (TPD U1.4)	• None
Network Code Operations Reporting Manual (TPD V12)	• None
Network Code Validation Rules (TPD V12)	• None
ECQ Methodology (TPD V12)	• None
Measurement Error Notification Guidelines (TPD V12)	• None
Energy Balancing Credit Rules (TPD X2.1)	• None

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### Impact on UNC Related Documents and Other Referenced Documents

Uniform Network Code Standards of Service (Various)	<ul style="list-style-type: none"><li>• None</li></ul>
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### Impact on Core Industry Documents and other documents

Document	Potential impact
Safety Case or other document under Gas Safety (Management) Regulations	<ul style="list-style-type: none"><li>• None</li></ul>
Gas Transporter Licence	<ul style="list-style-type: none"><li>• None</li></ul>

### Other Impacts

Item impacted	Potential impact
Security of Supply	<ul style="list-style-type: none"><li>• None</li></ul>
Operation of the Total System	<ul style="list-style-type: none"><li>• None</li></ul>
Industry fragmentation	<ul style="list-style-type: none"><li>• None</li></ul>
Terminal operators, consumers, connected system operators, suppliers, producers and other non code parties	<ul style="list-style-type: none"><li>• None</li></ul>

## 6 Implementation

As self-governance procedures are proposed, implementation could be 16 business days after a Modification Panel decision to implement.

## 7 The Case for Change

There are no further additions to the case for change outlined above.

## 8 Legal Text

### Text

Wales & West Utilities has prepared the following Text at the request of the Modification Panel. A supporting commentary has also been provided (this does not form part of the legal text).

#### **ADD THE FOLLOWING PARAGRAPHS**

#### **TPD SECTION V - GENERAL**

#### **NEW PARAGRAPH V 5.15**

#### **V5.15 Disclosure of Historic Supply Meter Point Asset and Read information (Annex V-8)**

V 5.15.1 Where in respect of any Supply Point, the Transporter is requested by the Registered User to disclose such historic Supply Meter Point Asset and Read data (the information detailed in Annex V-8 "**Historic Supply Meter Point Asset and Read information**") then the Registered User of such Supply Points agree that any such request will be regarded as made on behalf of such Registered User and accordingly the Transporter is authorised to disclose such Information in accordance with such request.

V5.15.2 Upon a request by any Registered User, the Transporter shall as soon as reasonably practicable provide the Registered User with the details specified in paragraph Annex V-8 in respect of each Supply Point (other than an NTS Supply Point) for which the User is the Registered User (relevant Supply Point) at the date on which the Transporter is in receipt of the User's Request.

V 5.15.3 For the purposes of paragraph V5.15.1 and V5.15.2 the period of data provision is three (3) years historical data.

#### **ANNEX V-8**

#### **Historic Supply Meter Point Asset and Read information**

The Transporter will provide to the Registered User, in respect of any Supply Meter at a Supply Meter Point comprised in a relevant Supply Point during the relevant period, the following details:

(a) each Meter Reading held by the Transporter and the date of the Meter Reading, including:

(i) in respect of each meter or convertor exchange at the Supply Meter Point during the relevant period, the date of the meter or convertor

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exchange, the closing meter reading for the old Supply Meter and the first meter reading for the new Supply Meter or convertor;

(ii) in respect of each Supply Point Registration in relation to the Supply Meter Point during the relevant period, the Opening Meter Reading provided to the Transporter (pursuant to TPD Section M3.8.2) or estimated Reading (determined pursuant to TPD Section M3.8.5) and any Meter Readings provided to the Transporter under TPD Section M3.3 and the date of such Meter Reading;

(iii) in respect of Opening Meter Readings, where installed, the converted and unconverted reading of the convertor;

(iv) whether the Meter Reading triggered a User Suppressed Reconciliation Value or a Suppressed Reconciliation Value; and

(b) in relation to the Supply Meter:

- (i) the model name;
- (ii) meter serial number, dials and digits;
- (iii) metric/imperial indicator;
- (iv) the convertor number of dials;
- (v) the applicable conversion factor; and
- (vi) the meter/convertor round the clock count.

## **DELETE THE FOLLOWING PARAGRAPHS**

### **TPD SECTION G - SUPPLY POINTS**

~~G1.6.21 Upon a request by any User received no later than 1 April in the preceding Gas Year, the Transporter shall as soon as reasonably practicable after commencement of the following User AQ Review Period but not later than one month before the end of the User AQ Review Period provide the User with the details specified in paragraph~~

~~1.6.22 in respect of each Supply Point (other than an NTS Supply Point) for which the User is the Registered User ("**relevant**" Supply Point) at the date on which the Transporter is in receipt of the User's request ("**relevant date**").~~

~~1.6.23 For the purposes of paragraph 1.6.23 the "**relevant period**" is the period of three (3) years ending on the relevant date. 1.6.23 Without prejudice to paragraph 1.6.24, the Transporter will provide to the User, in respect of any Supply Meter at a Supply Meter Point comprised in a relevant Supply Point during the relevant period, the following details:~~

- ~~(a) each Meter Reading held by the Transporter and the date of the Meter Reading, including:~~
  - ~~(i) in respect of each meter or convertor exchange at the Supply Meter Point during the relevant~~

~~period, the date of the meter or convertor exchange, the closing meter reading for the old Supply Meter and the first meter reading for the new Supply Meter or convertor;~~

~~(ii) in respect of each Supply Point Registration in relation to the Supply Meter Point during the relevant period, the Opening Meter Reading provided to the Transporter (pursuant to TPD Section M3.8.2) or estimated Reading (determined pursuant to TPD Section M3.8.5) and any Meter Readings provided to the Transporter under TPD Section M3.3 and the date of such Meter Reading;~~

~~(iii) in respect of Opening Meter Readings, where installed, the converted and unconverted reading of the convertor;~~

~~(iv) whether the Meter Reading triggered a User Suppressed Reconciliation Value or a Suppressed Reconciliation Value;~~  
and

~~(b) in relation to the Supply Meter:~~

~~(i) the model name;~~

~~(ii) meter serial number, dials and digits;~~

~~(iii) metric/imperial indicator;~~

~~(iv) the convertor number of dials;~~

~~(v) the applicable conversion factor; and~~

~~(vi) the meter/convertor round the clock count.~~

~~1.6.24 The Transporter shall only be required to provide details in relation to a relevant Supply Point to the extent such details have not been provided to the User in response to an earlier request from the User under paragraph 1.6.21.~~

~~1.6.25 Provision of the details in accordance with paragraph 1.6.23 will be performed as a User Pays Service and the User shall pay (in accordance with Section 5) a User Pays Charge to the Transporter.~~

***Commentary supporting rationale for legal text (this does not form part of the legal text)***

There are two key component parts to the solution of this modification, which are both reflected in the legal text:

- 1) Amendment to UNC TPD Section V to create the necessary permissions for the historic data to be provided to the current Registered User; and
- 2) An amendment to TPD section G1.6.21 – G1.6.25 to remove the annual service from the UNC.

In addition, and outside of the UNC, two Non-Code User Pays services are to be created, an annual monthly service (12 reports per year) for the forthcoming year, and an annual quarterly service (4 reports per year) for the forthcoming year. On implementation of this modification the two Non-Code services will be added to the Services Schedule for the Provision of Non-Code User Pays Services and included in the Agency Charging Statement (in conjunction with any necessary discussions with the User Pays User Committee).

The use of Annex V-8 in Section V of the UNC TPD reflects the fact that Modification 0399 will be adding Annexes V-6 and V-7 to UNC TPDV on 01 September 2012.

## 9 Consultation Responses

Representations were received from the following parties:

Company/Organisation Name	Support Implementation or not?
British Gas	Not in Support
First Utility	Support
National Grid Distribution	Support
Northern Gas Networks	Support
RWE nopwer	Support
Scotia Gas Networks	Support
Scottish Power	Support
SSE	Support
Wales & West Utiilities	Support

Of the nine representations received eight supported implementation, and one was not in support.

### Summary Comments

British Gas raised a number of concerns within their representation, this included concerns about the misquoted intention of Modification 0279 and the lack of analysis to support Modification 0416S. British Gas provided a number of reasons as to why they are unable to support the modification. In summary they believed implementation would:

1. Increase manipulation of Annual Quantity (AQ) values by shippers during the AQ Review Process,
2. Provide a disincentive on shippers to invest in collecting reads on their portfolio, and
3. Give valuable data held by shippers without recompense.



## 10 Panel Discussions

The Panel Chair summarised that this modification seeks to remove the restriction that meter read history and meter asset data may only be released to an incoming Shipper at one point in the year.

Members noted that removing the restriction would allow data to be released more frequently. Incoming Shippers may therefore have more timely access to information to assist them in addressing issues and ensuring, for example, that AQs are set at an appropriate level. AQs are used for calculating transportation charges and as a fundamental component of energy allocation, and hence improving the accuracy of AQs would be expected to lead to costs being allocated to the parties causing those cost to arise. Some Members therefore expected that implementation of the modification could be expected to facilitate the securing of effective competition between Shippers. In addition, relaxing the restriction on when data can be released was felt to be consistent with promoting efficient implementation of the UNC.

One Member was concerned that, as part of their market strategy, some Shippers may be more proactive than others in obtaining and maintaining information. Making this more readily available to an incoming Shipper may undermine legitimate competitive advantage and disincentivise data collection and submission. Also the provision of more frequent data may allow Shippers to be more selective about the way in which data is used and AQs are challenged. This could create an opportunity for selective data use, which would not be in the interests of accurate cost allocations. As such, implementation would be inconsistent with facilitating the securing of effective competition among Shippers.

Members then voted and, with nine votes in favour and one against implementation, determined that Self-Governance Modification 0416S should be implemented.

## 11 Recommendation

### Panel Recommendation

Having considered Modification Report 0416S, the Panel determined:

- that proposed self-governance Modification 0416S be made.