

0576:

Generation of an estimated Meter Reading at the Code Cut Off Date in the absence of an actual Meter Reading

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04	Final Modification Report

This Modification would provide Transporters with an ability to create an estimated Meter Reading with an effective date of the Code Cut Off Date where no Meter Reading has been received within the previous seven years.



The Proposer recommends that this modification should be:

- assessed by a Workgroup



Medium Impact:

Shipper Users, Transporters

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About this document:	
This modification will was be presented to panel by the proposer to the panel on 17 th March 2016.	
The panel will consider agreed with the proposer's recommendation and agree whether that this modification should be: <ul style="list-style-type: none"> referred to a workgroup for assessment. 	
The Proposer recommends the following timetable:	
Initial consideration by Workgroup	12 th April 2016
Amended modification consider by Workgroup	6th June 2016
Workgroup Report presented to Panel	19th-16th June May 2016
Draft Modification Report issued for consultation	16-19th June May 2016
Consultation Close-out for representations	8th July 2016
Final Modification Report published for Panel	11-14th July 2016
UNC Modification Panel decision	21-16st July 2016

 Any questions?

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1 Summary

Is this a Self-Governance Modification?

~~The Modification Panel determined that this modification is proposed to be subject to not a self governance as it is not expected to have a material impact upon, or discriminate, against any parties on competition. This is because it would affect only a small number of Supply Points and is not expected to generate any significant reconciliation variances.~~

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?

Where a Meter Reading has not been received by the Transporter Agency, Xoserve for seven years or more, there is a need for Xoserve to calculate and load an estimated Meter Reading, based on the Code Cut Off Date in order for the relevant Supply Point to reconcile upon receipt of a subsequent Meter Reading.

Solution

It is proposed that where a Meter Reading is not present following the 1st April in the Formula Year (t) t-6 it is proposed that the Transporter would calculate an estimated Meter Reading for the Code Cut Off Date. – i.e. this would be 1st April in Formula Year t-3. For example, if by 31st March 2018 a Meter Reading has not been received after 1st April 2014² an estimated Meter Reading would be calculated with an effective date of 1st April 2015.

Relevant Objectives

This Modification would further GT Licence relevant objective d) 'Securing of effective competition between relevant Shippers and relevant Suppliers' by enabling Transporters to insert an estimated reading for affected Supply Meters. This would enable Individual Meter Point Reconciliation to take place when a subsequent Meter Reading is received; in doing so Transporters would be able to allocate consumption to the correct Shipper User.

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 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 sets out the requirements for Meter Reading submission. There is a population of approximately 2617,000 Supply Meter Points for which a Supply Meter is recorded on the Supply Point Register as installed but a Valid Meter Reading has not been accepted ~~for the previous 7 years~~ since 1st April 2010. The UNC does not contemplate a circumstance where a Supply Meter remains unread for prolonged periods of time.

The Transporter Agency has been working with the industry through the Data Cleansing Workgroup to encourage Shipper Users to submit Valid Meter Readings for Supply Meters where the last recorded Meter Reading is many years old.

The Project Nexus arrangements implemented under UNC Modification 0432 introduces Individual Meter Point Reconciliation for all Supply Meter Points. The reconciliation process requires the use of certain data for the relevant period e.g. ~~A~~annual ~~L~~oad ~~P~~rofiles etc. To efficiently implement and operate the UK Link system a maximum 7 years data will be migrated to the new system (the remaining data will be archived and will still be accessible where required). Therefore where a Supply Meter has not been read within the last 7 years, no Meter Reading will be migrated to the new register and therefore there will be no Meter Reading recorded against which an Individual Meter Point Reconciliation can be performed when the next post-Nexus Meter Reading is accepted.

During development of the Modification, the ~~Project Nexus~~ Workgroup requested that the estimated Meter Reading takes account of the Weather Correction Factor, consistent with the revised approach defined in UNC Section H 2.2.1. This was introduced in Modification 0432 which will be implemented at Project Nexus Implementation Date. This is intended to be applied for both the transitional and enduring calculation processes.

The Workgroup also proposed that Meter Readings submitted as part of the AQ Amendment process (pre-Nexus) are considered in order to calculate the estimated Meter Read as part of the transitional process.

3 Solution

~~It is proposed that w~~where a Meter Reading is not recorded on the Supply Point Register following the 1st April in Formula Year t-6, it is proposed that the Transporter would calculate an estimated Meter Reading as at the Code Cut Off Date – i.e. this would be 1st April in Formula Year t-3. An example of this is that if by 31st March 2018 a Meter Reading has not been received after 1st April 2014, an estimated Meter Reading would be inserted with an effective date of 1st April 2015 (being the relevant Code Cut Off Date).

This would be an enduring process. However the solution would be initially applied as part of migration to the UK Link system incorporating the Project Nexus requirements. In this respect transitional terms are required.

~~• It is proposed that the prevailing NDM Meter Reading estimation routines would be used.~~

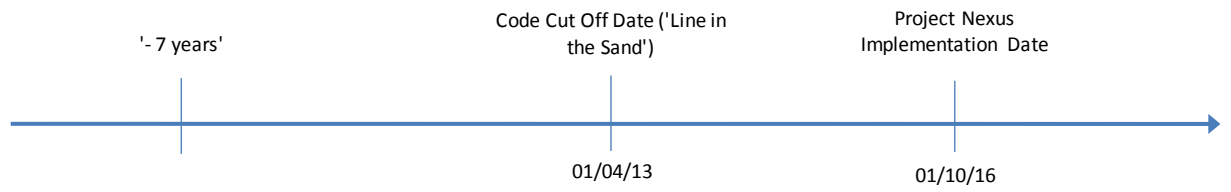
- The estimated Meter Read shall take account of the Weather Correction Factor consistent with the revised approach defined in UNC Section H 2.2.1 as introduced in Modification 0432 to be implemented at the Project Nexus Implementation Date. This shall be applied for both the transitional and enduring calculation processes.
- Where Meter 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 Meter Reading estimation on the target read date.
- Valid Meter Readings and/or AQ amendment Meter Readings available before the target read date and AQ amendment Meter Readings available after this date shall be used to interpolate the estimated Meter Reading if possible, otherwise it will be necessary to extrapolate backwards or forwards from the available Meter Reading to determine the estimated Meter Reading.-
- 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 Reading with an actual Meter Reading provided that the estimated Meter Reading is within the period of that User's Supply Point Registration.

~~Shipper Users may seek to replace any estimated Meter Readings with an actual Meter Reading provided that the estimated Meter Reading is within the period of that User's Supply Point Registration.~~ It is assumed that these Supply Points would be within the same User's ownership. This is because in absence of a Valid Meter Reading an estimated Meter Reading would have been inserted where a Change of Shipper User event had occurred.

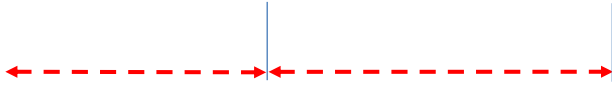
The solution would be initially applied as part of migration to the UK Link system incorporating the Project Nexus requirements. In this respect transitional terms are required to provide for an estimated Meter Reading to be determined at the prevailing Code Cut Off Date (3 - 4 years prior to the Project Nexus Implementation Date).-

~~The~~ transitional and enduring solutions are illustrated on the diagrams below. These are not intended to be exhaustive in that a number of scenarios can apply.

Transitional arrangements



Transition Arrangements



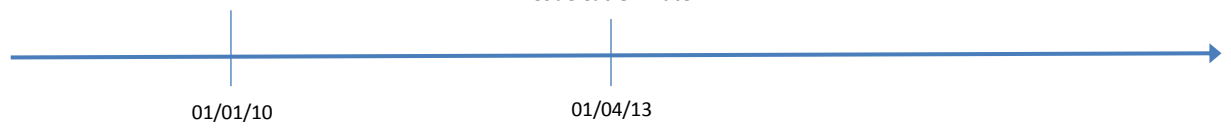
If no subsequent reading after [1st April FY t-6] generate LiS estimate - [01/04/10]

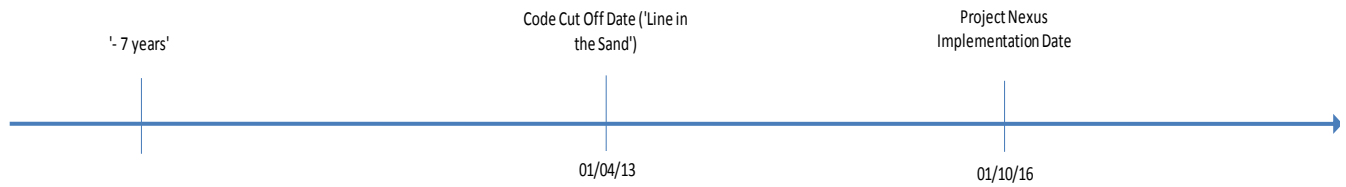
Revised Code Cut Off Date ('Line in the Sand') (FY t-3) - 01/04/13

Transition Arrangements Example

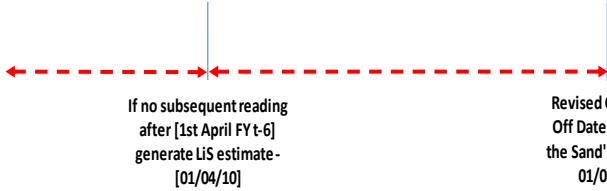
Last Reading

Estimate inserted for Code Cut Off Date

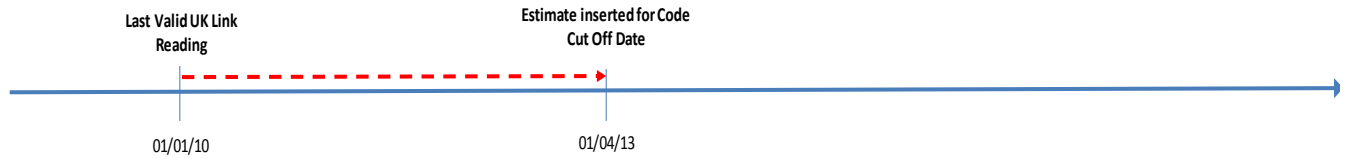




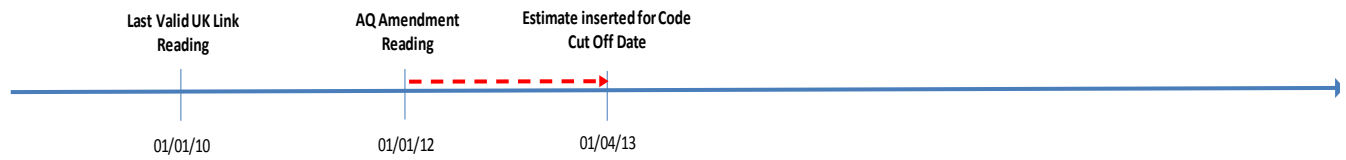
Transition Arrangements



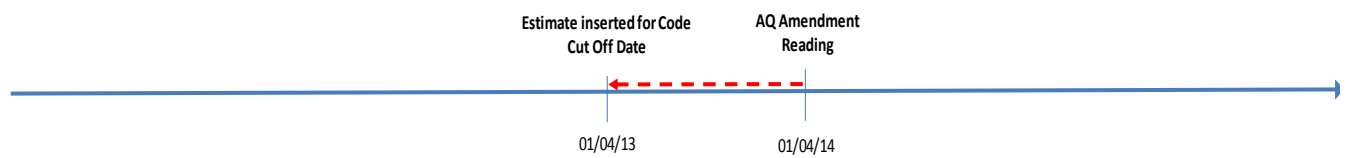
Transition Arrangements Example - Valid UK Link Reading



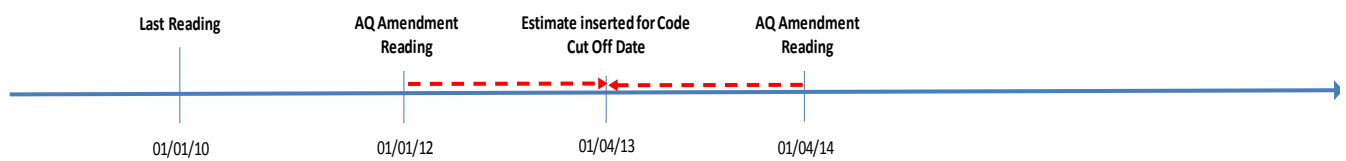
Transition Arrangements Example - AQ Amendment Reading Prior to Target Read Date



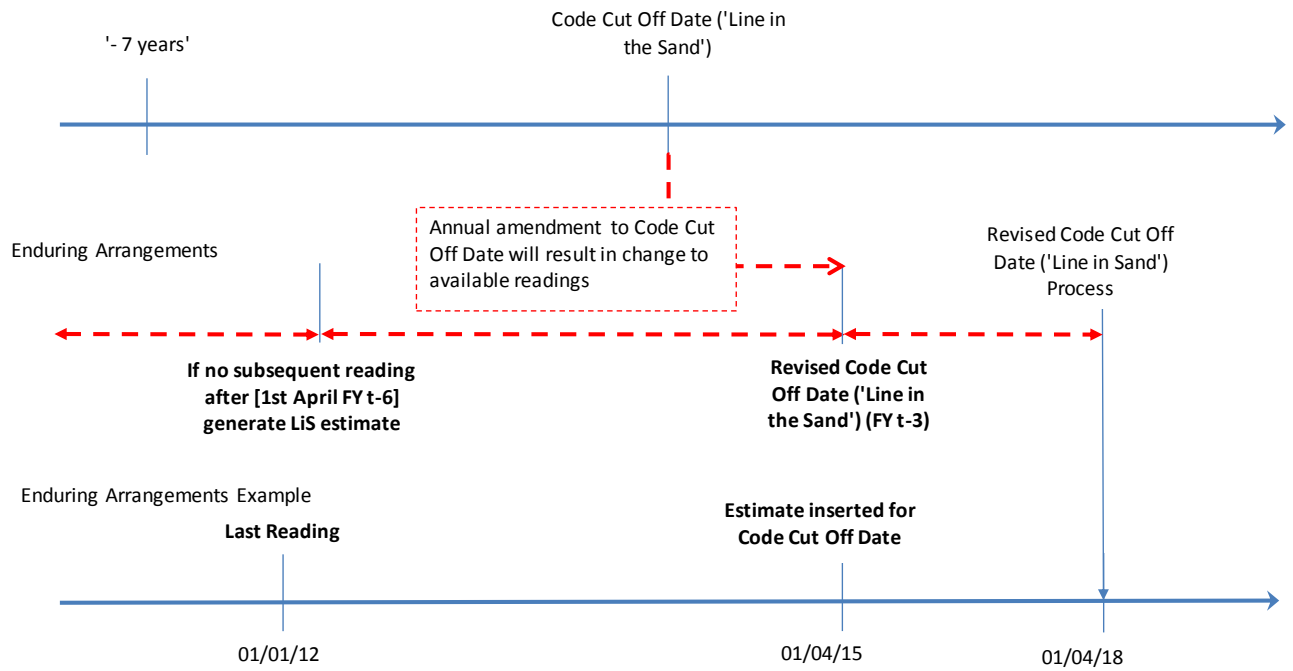
Transition Arrangements Example - AQ Amendment Reading After Target Read Date



Transition Arrangements Example - Interpolation



Enduring arrangements



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'. This would be by enabling Transporters to insert an estimated Meter Reading for affected Supply Meters. In turn this would enable Individual Meter Point Reconciliation to take place at a Supply Meter Point when a subsequent Meter Reading is received, in doing so Transporters would be able to allocate consumption to the correct Shipper User.

5 Implementation

~~No implementation timescales are proposed. However, this modification could be implemented soon after an Ofgem decision to do so. 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

The following Text has been prepared by National Grid Distribution at the request of the Modification Panel.

TRANSPORTATION PRINCIPAL DOCUMENT

SECTION M – SUPPLY POINT METERING

Re-number existing paragraph 5.4.5 as paragraph 5.4.7 and insert new paragraphs 5.4.5 and 5.4.6 to read as follows:

"5.4.5 Where on 1 April in any Formula Year (t):

_____ (a) a Valid Meter Reading has not been submitted for a Supply Meter for a Read Date;
_____ and

_____ (b) the Transporter has not determined an estimated Meter Reading in accordance with
_____ paragraph 5.4.6 for a Read Date,

_____ in the period from (and including) 1 April in Formula Year (t – 6) paragraph 5.4.6 shall apply.

5.4.6 Where this paragraph applies the Transporter shall determine an estimated Meter Reading for the Supply Meter for a Read Date of 1 April in Formula Year (t – 3) in accordance with paragraph 5.4.1(b) or 5.4.2 for which purposes:

(a) where a Valid Meter Reading was submitted for a Read Date in Formula Year (t-7) the estimate shall be made in respect of the period from the Read Date of the last such Valid Meter Reading to 1 April in Formula Year (t-3);

(b) where no such Valid Meter Reading was submitted for a Read Date in Formula Year (t-7) the estimated Meter Reading shall be zero."

Re-number paragraphs 5.16.2 and 5.16.3 as 5.16.3 and 5.16.4 and insert new paragraph 5.16.2 to read as follows:

"5.16.2 A User may submit an Updated Meter Reading to replace a Transporter estimated Meter Reading determined in accordance with paragraph 5.4.6 provided each of the requirements in paragraph 5.16.1 are satisfied."

TRANSITION DOCUMENT

PART IIF – NEXUS IMPLEMENTATION

Add new paragraph 7.8 to read as follows:

7.8 Estimated Meter Readings

7.8.1 Where on the Implementation Date a Valid Meter Reading has not been submitted for a Supply Meter in the period from (and including) 1 April in Formula Year (t – 6) paragraph 7.8.2 shall apply.

7.8.2 Without prejudice to paragraph 7.8.3, where this paragraph applies the Transporter shall determine an estimated Meter Reading for the Supply Meter for a Read Date of 1 April in Formula Year (t – 3) in accordance with paragraph TPD Section M5.4.1(b) or 5.4.2 for which purposes:

(a) the estimate shall be made in respect of the period from the Read Date of the last submitted Valid Meter Reading (prior to 1 April in Formula Year (t-6)) to 1 April in Formula Year (t-3);

(b) where no such Valid Meter Reading has been submitted the estimated Meter Reading shall be zero.

7.8.3 For the purposes of paragraph 7.8.2, where prior to the Implementation Date a User submitted Meter Readings for the purposes of TPD Section G1.6.5 (as applying prior to such date) the Transporter may use such Meter Readings for the purposes of determining a more accurate estimate for the purposes of paragraph 7.8.2.

~~To be provided.~~

8 Recommendation

The Proposer invites the ~~Panel-Workgroup~~ to:

- ~~•—AGREE this modification should be issued to consultation. Determine that this modification should be subject to self-governance; and~~
- ~~• Progress to Workgroup assessment.~~