

Stage 01: Proposal

0377: Use of Daily Meter Reads

What stage is this document in the process?

- 01 Proposal
- 02 Work Group Report
- 03 Draft Modification Report
- 04 Final Modification Report

This modification proposes to increase the use of daily meter reads in the UNC settlement process.



The Proposer recommends
Modification is sent to the Project Nexus Workstream for
continued development



High Impact:
Shippers, Consumers



Medium Impact:
Transporters, Transporters' Agent



Low Impact:
No parties identified

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About this document:

This document is a Proposal, which will be presented by the Proposer to the Panel on 21 April 2011. The Panel will consider the Proposer's recommendation, and agree whether this Proposal should proceed to consultation or be referred to a Workgroup for development.



Any questions?

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1 Summary



Why Change?

At present Consumers who have the ability to obtain daily reads from remote meter reading equipment can only be settled on a daily basis if they choose a DME or DMV service. The current DME/DMV regime has rigorous requirements, the cost of which in many cases outweigh any benefits the consumer can accrue from the increased accuracy in their billing. This means that many sites that can obtain daily read information still utilise the NDM process, which results in a loss of settlement accuracy.

Solution

In order to allow consumers to use the daily read information available to them, it is proposed to create four new processes that can use daily reads. All sites that have the ability to provide reliable reads remotely will be eligible to use these processes.

Acronyms

DM - Daily Metered
DME – Daily Metered
Elective
DMV – Daily Metered
Voluntary
NDM – Non Daily-Metered

Process – Description	Day Ahead Gas Nomination process	Process for initial Allocation	Process for Energy Balancing close-out	Read Submission timescales	Type of Read Submission
1 – AMR Daily Metered Time Critical Readings	Shipper nominates (singly or in aggregations)	Uses daily read	Uses daily read	By 10am on GFD+1	All reads – daily on GFD+1
2 - AMR Daily Metered Not Time Critical Readings	Shipper nominates (in aggregations)	Transporter estimate	Uses daily read	By end of GFD+1 (05.59 am)	All reads – daily by end of GFD+1
3 – AMR Batched Daily Readings	Shipper nominates (in aggregations)	Transporter estimate	Transporter estimate	Periodic	All reads – in batches – to an agreed frequency
4 – AMR Periodic Readings	Shipper nominates (in aggregations)	Transporter estimate	Transporter estimate	Periodic	Periodic reads – to an agreed frequency

GFD +1 is the day following the Gas Flow Day

Impacts & Costs

We would expect costs for the implementation of this modification to be met as part of Project Nexus.

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Implementation

We would expect that this modification would be implemented as part of the implementation of Project Nexus.

The Case for Change

If this change is implemented, then it has the potential to greatly increase the accuracy of allocation and settlement. This will improve cost allocation and result in cost savings for Shippers, Supplier and consumers.

Recommendations

We propose that this modification be sent to development at the Project Nexus workgroup, in order for it to be adjusted in line with the work undertaken by that group.

2 Why Change?



One of the key advantages of the deployment of the next generation of remotely read meters will be the greatly increased provision of daily consumption information of gas customers. At present xoserve systems are restricted in the volumes of read data that they can handle. Customers can only choose to be Daily Metered (either as a DMV, or as a DME category customer), which requires adhering to the UNC DM requirements or be classified as a NDM customer.

The DMV/DME process requires provision of information daily by set times, which can be expensive for the customer and, for smaller sites, such daily read provision at the allocation stage does not provide significant benefits for the customer or industry. The current alternative is that the consumer is classified as a NDM customer and so cannot use the daily read data for settlement purposes. In this latter case this results in both the Shipper and customer having a more accurate view of consumer behaviour than the central systems, with any resulting inaccuracy being smeared across all customers.

It is proposed, as part of the anticipated replacement of some of xoserve's core systems (Project Nexus), to allow additional flexibility in the current settlement process, so that customers have a variety of options to be balanced on daily read data.

DME

The DME (Daily Metered Elective) regime was introduced by Modification 0224, and went live on 21 November 2010.

3 Solution

As part of the work at the AMR workgroup in the Project Nexus process, it is proposed that the current DMV and DME processes are replaced with four new processes that allow the utilisation of remote reads. This solution is being proposed as part of deployment of Project Nexus. As part of the development process, the following assumptions have been made by the group. These assumptions and business rules are currently being discussed by the Project Nexus AMR Workgroup.

Assumptions

- NDM Allocation processes are unchanged.
- It is not currently feasible for Shippers to submit energy values (kWh) to the Gas Transporter within D+5 due to close-out constraints. Once clarity is gained from SMIP on DCC scope and services further consideration will need to be given on whether reads, volume or energy is submitted.
- Shippers will have the obligation to submit consumption data although the role could be fulfilled by other parties (e.g. DCC, consumer, AMR operators). This will need to be revisited once clarity is gained from SMIP.
- Any additional Gas Transporter charges will be billed in line with User Pays principles.
- "Must Reads" will continue be a Gas Transporter responsibility. Processes for Must Reads are unchanged, except where specifically described.
- There will continue to be a requirement in the gas industry to have DM Mandatory sites for the following two scenarios;
 - System critical (for network operation activities)
 - Process critical (for energy balancing & allocation processes)
- The changes associated with the Allocation of Unidentified Gas Expert (AUGE) have been implemented which apply a share of unallocated energy to all sites
- For the transitional period, the arrangements described do not have any impact on the existing NDM regime for 'Dumb' meters.
- Reconciliation by Difference still operates for Smaller Supply Points.
- The existing UNC requirements for a "Valid Meter Read" (M3.1 .4) will continue to apply for the purposes of the Must Read requirement. A "Valid Meter Read" is where the following conditions are satisfied:
 - Meter Reading provided by a Meter Reader
 - Customer Reading
 - Meter Reading provided by means of a Remote Read
- A re-synchronisation is only required on certain types of metering equipment capable of transmitting daily reads (as opposed to those which allow derivation of daily reads).
- All meter readings submitted to the GT will be subject to "logic checks". Any readings that fail the logic checks will be notified to the Shipper.
- Obligations on Shippers will need to continue to ensure that validation of the meter reading is carried out and only accurate reads are submitted to the GT.
- 'Exit Close Out' (GFD+5) continues as per existing UNC rules.

Any and/or all of these assumptions may become invalid as a result of the deployment of Project Nexus, and/or the development of Smart Metering and so will need to be revisited as the modification progresses.

Eligibility

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The workgroup discussion has been around extending the daily read and settlement processes to all sites with AMR devices installed. The reason the AMR workgroup did not consider sites with Smart Metering devices was owing to the uncertainty around the scope of the Smart Metering Implementation Programme. The proposer considers that such sites should not be precluded from the proposed processes and so all sites (domestic and non-domestic) that have some form of remote reading device that can provide reliable meter read information can be eligible for the proposed processes. The definition of remote reading device will need to be explored, but current UNC definitions may be sufficient.

With the exception of certain sites covered by Process 1, adoption of any of the processes would be voluntary for all sites fitted with qualifying devices.

Business Rules

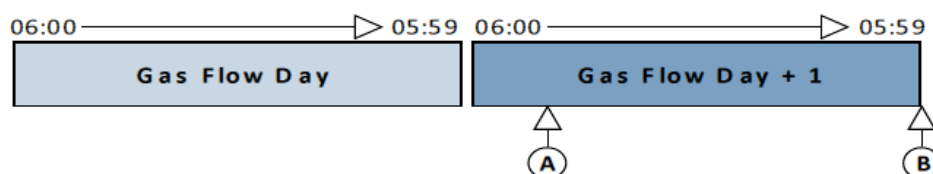
Process 1 – AMR Daily Metered – Time Critical Readings

- 1.1 This process applies to large sites where daily balancing is mandatory due to size/location or other factors. Timely receipt of reads is critical to the accuracy of the NDM Allocation process. This includes all Supply Points with an AQ >58.6m kWh or NTS sites. Other sites may be elected to use this service by the GT due to network operations or by the Shipper.
- 1.2 For each site/meter, a reading must be submitted by the Shipper by 10am each day for the previous gas day.
- 1.3 The reading submitted may be an actual read (obtained from the AMR device) or an estimated read. The read notification must specify whether the reading is actual or estimated.
- 1.4 All estimated reads (calculated by the GT or the Shipper) will use a standard methodology under this process. This standard is described in 1.8.
- 1.5 Content of the read information exchange between the Shipper and GT is detailed in section 9.
- 1.6 On receipt of a read the GT will perform 'Logic Checks'. Notification will be issued by the GT to the Shipper detailing the meter readings that have failed and those that have passed 'logic checks'.
- 1.7 If a valid reading (actual or estimated) is not received by the GT by 10am on D+1, the GT will estimate a reading & notify the Shipper of the details.
- 1.8 The estimated reading will be calculated from the previous day's reading to produce an identical gas volume to the gas day 7 days earlier (a "D-7" estimate or, if no previous consumption recorded for the site, the estimate will be calculated by $AQ / 365$).
- 1.9 If the first read submission is an estimate, it can be replaced before D+5 with an actual reading.
- 1.10 Any actual readings (including an actual which replaced an estimate) can be replaced before end of D+5 with a new actual or estimated reading.
- 1.11 The closed-out energy balancing position will be based on the last reading supplied (or calculated) before end of D+5.
- 1.12 Shipper daily read validation is as per the UNC Validation Rules, Section 4, for sites with Daily Read Equipment and further GT validations are detailed under section 10.3 of this document.
- 1.13 Incentive arrangements are required to ensure that valid daily reads are submitted for 97.5% of sites in a timely manner in line with current DM processes (UNC M5.2.1). The reads can be actual or estimated. The 97.5% will be based on reads expected per day per Shipper portfolio.
- 1.14 The "Must Read" requirement will not be applicable for this process.
- 1.15 Replacement of reads after D+5 will be covered by the AMR Retrospective Updates Business Rules which are expected to be developed as part of project Nexus.

Process 2– AMR Daily Metered – Not Time Critical Readings

- 2.1 Sites for which Process 1 above is compulsory cannot use this process.
- 2.2 At 10am on GFD+1 the GT will estimate a reading for interim use for the purposes of NDM Allocation. This reading will be calculated from the previous day's reading to produce an identical gas volume to the gas day 7 days earlier (a "D -7" estimate or if no previous consumption recorded the estimate will be calculated by $AQ / 365$).
- 2.3 Where a valid read is loaded before 10.00 am on GFD+1 by the Shipper the reading will be used for NDM Allocation, the estimate described in 2.2 will not be used for the purposes of Allocation.
- 2.4 If a reading has not been loaded by 10.00 am a valid reading must be submitted by the Shipper before the end of the day on GFD+1 (05.59 am following the gas day the meter reading relates to) to replace the GT estimate.

Timeline



A = 10:00 Hrs - Estimated reading calculated
B = 05:59 Hrs - Deadline for Shipper read submission

- 2.5 The reading submitted by the Shipper may be an actual read (obtained from the AMR device) or an estimated read. The read notification must specify whether the reading is actual or estimated.
- 2.6 If a valid reading (actual or estimate) is not received by the GT by end of the gas day on GFD+1 the GT will estimate the reading (this is the estimate calculated for allocation purposes as described in 2.2) & notify the Shipper of the details. This estimate can be replaced with an actual reading before close out (D+5).
- 2.7 All estimated reads (calculated by the GT or the Shipper) will use a standard methodology under this process. The estimation methodology is described in 2.2.
- 2.8 Content of the read information exchange between the Shipper & GT is detailed under Section 9.
- 2.9 Notification will be issued by the GT to the Shipper detailing the meter readings that have failed and those that have passed system checks.
- 2.10 An actual Shipper reading can be replaced with a Shipper estimate, e.g. in the event of a faulty meter.
- 2.11 Any actual Shipper readings (including an actual which replaced an estimate) can be replaced with a new actual reading or estimated reading before end of D+5.
- 2.12 The closed-out energy balancing position will be based on the last reading supplied (or calculated) before end of D+5.
- 2.13 Read Validation Rules are described in Section 10.
- 2.14 Incentive arrangements are required to ensure that valid daily reads are submitted for 97.5% of sites in a timely manner (in line with the DME Regime). The reads can be actual or estimated. The 97.5% will be based on reads expected per day per Shipper portfolio.
- 2.15 Incentive arrangements are required to ensure a maximum number of consecutive estimates for a site. The "Must Read" requirement will apply where a "Valid Meter

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Read" is not received for 4 consecutive months as per UNC Section M3.6 for Monthly Read sites.

2.16 Replacement of reads after D+5 will be covered by the AMR Retrospective Updates Business Rules.

Process 3– AMR Batched Daily Readings

- 3.1 Sites for which Process 1 above is compulsory cannot use this process.
- 3.2 Daily readings are not routinely submitted daily or within D+5 under this process.
- 3.3 Daily energy allocation for these sites will be calculated at GFD+1 by the GT, based on the existing Allocation process (or replacement arrangements). Sites would be apportioned energy per day based on algorithms for allocation purposes.
- 3.4 The closed-out energy balancing position will be based on the estimate calculated by the GT as described in 3.3.
- 3.5 Readings for each gas day are submitted periodically in batches, to a pre- notified frequency. These frequencies are weekly, fortnightly or monthly.
- 3.6 The maximum planned interval between the end dates of read batches under this process is monthly. There is no specified deadline for submitting a batch of reads, except as described in 3.25 below.
- 3.7 Each reading submitted within a batch may be an actual read (obtained from the AMR device) or an estimated read. The read notification must specify whether the reading is actual or estimated.
- 3.8 All estimated reads calculated & submitted by the Shipper will use a standard methodology under this process.
- 3.9 A read file can contain reads for a mix of MPRN's with different read frequencies, for example, file contains 5 days consecutive reads for site A, 30 days consecutive reads for site B etc.
- 3.10 Content of the read information exchange between the Shipper & GT is detailed under Section 9.
- 3.11 System 'Logic checks' will be carried out by the GT on the reads received from the Shipper. A 'completeness' check shall also be performed on receipt of the communication to ensure all reads expected (as per 3.10) have been received.
- 3.12 For an MPRN, if there is a gap between the last reading date of the previous batch and the first reading date of the new batch, energy will be apportioned across the missing days using existing NDM Reconciliation principles and processes.
- 3.13 For an MPRN, if there is a gap of one or more days within the sequence of reads in a batch, energy will be apportioned across the missing days using existing NDM Reconciliation principles and processes.
- 3.14 A notification will be sent to the Shipper by the GT detailing the accepted reads, rejected reads and any days where a read was missing within a read communication file.
- 3.15 Where the GT has calculated energy for reconciliation purposes due to a missing read or rejected read, the energy will be converted to an estimated reading & issued to the Shipper.
- 3.16 [Shippers can submit meter reads for previously rejected reads or missing read days within D+?].

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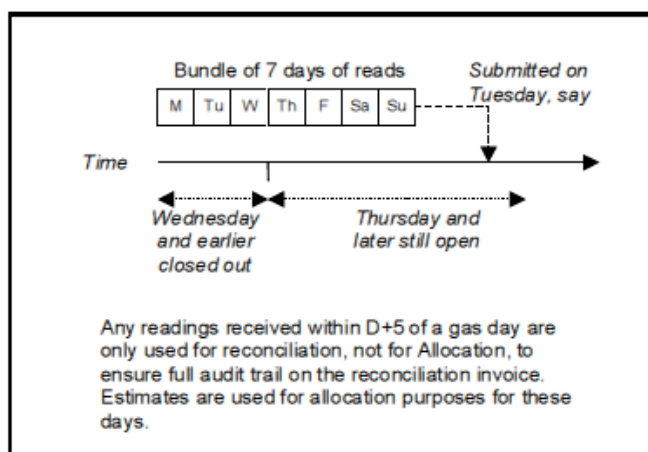
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- 3.17 Read validation rules are described under section 10.
- 3.18 On receipt of a batch of reads the GT will perform individual daily reconciliations for each gas day up to and including the date of the last reading in the batch (see 3.12 and 3.13 above regarding filling in of gaps).
- 3.19 These reconciliations will apply daily SAP prices and gas transportation charge rates to the daily reconciliation quantities.
- 3.20 Reconciliation volume may be positive or negative. Energy and/or transportation charges may have the opposite sign to the volume, due to differential rates on different days.
- 3.21 Note: under this approach some readings are received within D+5, however these are not used for daily balancing, see diagram below:



- 3.22 Shippers will have an obligation to ensure that valid daily reads (actual or estimated) are submitted for 90% of 'Daily Reconciled sites' in the Shippers portfolio in any given calendar month (as per UNC Section M3.4.1)
- 3.23 Incentive arrangements are required to ensure a maximum number of consecutive estimates for a site. The "Must Read" requirement will apply where a "Valid Meter Read" is not received for 4 consecutive months as per UNC Section M3.6 for Monthly Read sites.
- 3.24 Treatment of the resulting reconciliation will be to use a daily reconciliation factor to attribute reconciliation energy to each day in the period.
- 3.25 Reconciliation quantities will be calculated as follows; calculate a Reconciliation Factor (RF) for the period as Actual Volume/ Allocated Volume. Calculate daily actual volume as RF x Allocated Volume. Daily Reconciliation volume = daily actual – daily allocated volume.

Process 4– AMR Periodic Readings

- 4.1 Sites for which Process 1 above is compulsory cannot use this process.
- 4.2 Daily readings are not submitted to the GT under this process, although the supplier and shipper may chose to receive these reads from the equipment.
- 4.3 Daily energy allocation for these sites will be calculated on GFD+1, based on the existing Allocation process (or replacement arrangements). Sites would be apportioned energy per day based on algorithms for allocation purposes
- 4.4 The closed-out energy balancing position will be based on the estimate described in 4.3
- 4.5 A single reading is submitted periodically, to a pre-notified frequency. The frequency can be weekly, monthly, quarterly, six-monthly or annually.
- 4.6 The maximum planned interval for submission of readings under this process is annual.
- 4.7 The reads that are submitted will be actuals and not estimated reads.
- 4.8 Content of the read information exchange between the Shipper & GT is detailed under Section 9.
- 4.9 Notification will be issued by the GT to the Shipper detailing the meter readings that have failed and those that have passed 'logic checks.
- 4.10 Replacement of readings after D+5 will be covered by the Retrospective Updates Business Rules.
- 4.11 Read validation rules are described in section 10
- 4.12 On receipt of a reading the GT will perform a reconciliation for each gas day since the last read date up to and including the date of the current reading.
- 4.13 Reconciliation quantities will be calculated as follows; calculate a Reconciliation Factor (RF) for the period as Actual Volume/ Allocated Volume. Calculate daily actual volume as RF x Allocated Volume. Daily Reconciliation volume = daily actual – daily allocated volume.
- 4.14 Reconciliations will apply daily SAP prices and gas transportation charge rates to the daily reconciliation quantities.
- 4.15 Reconciliation volume may be positive or negative.

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- 4.16 If no "Valid Meter Reads" have been received for four consecutive months. For sites with a read frequency of weekly or monthly, and for 24 consecutive months for sites with a read frequency of quarterly, 6 monthly or annually, there will be a "Must Read" requirement as per UNC Section M3.6.
- 4.17 Obligations will continue to be required within UNC (Section M3.4 & M3.5) to ensure that actual "Valid Meter Reads" are submitted in any period of 12 months for;
- a. 90% of sites of which the AQ is greater than 73,200 kWh
 - b. 70% of sites of which the AQ is equal to or greater than 73,200 kWh

Change of Shipper

- 5.1 A proposing Shipper can submit a Supply Point Enquiry to identify the regime (Process) and (for Processes 3 & 4) the Meter Reading Frequency the site is registered under.
- 5.2 The incoming Shipper to be notified of which Process currently applies and the current read frequency (where applicable) as well as the elected/proposed process via the Nomination response file and the Confirmation response file.
- 5.3 A proposing Shipper will need to specify on the existing Nomination and Confirmation communication the election of which regime (Process) and, for Processes 3 & 4, the Meter Reading Frequency.
- 5.4 To ensure the relevant fields are populated the records will be mandatory on the Nomination and Confirmation files; a default will not be applied.

Change of Shipper Transfer Readings

For all Shipper transfers the following will apply except where there is a change in regime from AMR to NDM, in which case the transfer read process will be as per Section 8.3

- 6.1 The Incoming Shipper obtains and submits the closing transfer read.
- 6.2 For Process 1 & 2 the transfer read to be obtained on the transfer date and submitted on D+1.
- 6.3 For Process 3 & 4 the transfer read to be obtained on the Transfer date and submitted within close out (D+5).
- 6.4 The transfer read submitted by the Incoming Shipper can be an actual or an estimated read.
- 6.5 A valid transfer read submitted by the Incoming Shipper will be issued to the Outgoing Shipper as the closing read by the GT.
- 6.6 For sites under Processes 1 & 2, where a read is not submitted for the transfer date within D+5 the estimate calculated on D+1 by the GT will be used for the purposes of the Opening & Closing Meter Read
- 6.7 For sites under Processes 3 & 4; where a transfer read is not submitted the GT will calculate an estimated read and submit to both the Outgoing & Incoming Shipper on D+5. The estimate to be calculated as per the methodology for the relevant process.
- 6.8 A transfer read (Shipper read or GT estimate) can be replaced if submitted and accepted within D+5.
- 6.9 The Incoming or Outgoing Shipper can challenge the transfer read using the existing Shipper Agreed Read process (UNC TPD M3.8).
- 6.10 It will be the Incoming Shipper's responsibility to submit the Shipper Agreed Read.

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6.11A batch of daily reads (Process 3) or a periodic read (Process 4) will not be accepted until a valid transfer read has been loaded. The read communication for the MPRN will be rejected and notification issued to the Shipper.

Election for type of balancing regime where there is no change in Shipper

- 7.1 Change in read frequency: The GT needs to know 10 business days (as per existing requirement) before the gas day of the elected read frequency (Processes 3 & 4 only) for planning and estimation purposes. A change in Meter Reading Frequency can only be effective 2 months after the current Meter Reading Frequency effective date, except where;
- a. There has been a change of Shipper.
 - b. There has been a meter exchange or change of AMR equipment
- 7.2 Change in balancing type: An election for a change of balancing type must be received and accepted by D-8 business days for a gas day using the existing Reconfirmation process as per UNC G2.2.5, 2.5.1 & 2.5.8. A change in balancing type can only be effective [2 months] after the current balancing type effective date.
- 7.3 Only the Registered User or a Confirming User (with a confirmation about to become effective after D-7) can submit an election described in 6.1 or 6.2. If the requesting User will not be the Registered User on the day to which the election refers, the election will be rejected.

Sites Transfer to or from the NDM regime

- 8.1 Request to transfer to or from the NDM regime where there is no change in Shipper is submitted via a re-confirmation providing 8 business days notice.
- 8.2 Request to transfer to or from the NDM regime where there is a change in Shipper to follow the existing Nomination & Confirmation process.
- 8.3 For transfers from the AMR regime to the NDM regime:
- a. The existing timescales for submitting a transfer read will be applied: A valid meter reading to be obtained between 5 business days before and 5 business days after the transfer date and submitted to the GT by 10 business days of the transfer date.
 - b. Where a valid read is not loaded the GT will generate an estimated read & notify both Shippers on D+15 business days.
- 8.4 For transfers from the NDM regime to the AMR regime:
- a. Meter reading obtained on the transfer date & submitted to the GT.
 - b. The transfer read to be loaded within D+5 days of the transfer date.
 - c. Where a valid read, actual or estimate, is not loaded by the Shipper, the GT will estimate the transfer read on D+5 in line with the estimating methodology for the relevant process & notify the Shipper(s).
 - d. Where there is also a change in Shipper it will be the Incoming Shippers responsibility to obtain & submit the transfer read as per section 6

Read Communication Content

- 9.1 Information exchange from the Shipper to the GT;

- a. MPRN
- b. Confirmation Number
- c. Meter Serial Number
- d. Reading
- e. Date of Reading
- f. Reading Source (customer, transmitted, MRA)
- g. Through the Zero Count
- h. Actual or Estimated Reading
- i. Derived or Actual Read
- j. Reading Units
- k. Metric or Imperial Indicator
- l. Reading Type (e.g. AMR)
- m. Read Reason Code (Opening Read, Replacement Reading)
- n. Converter Reading
- o. Start & End Date of Read Batch (Process 3 sites)
- p. Read Verified Indicator

9.2 Information Exchange from the GT to the Shipper;

- a. At 'File' Level:
 - i. Total Number of Reads Received
 - ii. Total Number of Accepted Reads
 - iii. Total Number of Rejected Reads
- b. At MPRN Level:
 - i. MPRN
 - ii. Reading
 - iii. Date of Reading
 - iv. Accepted or Rejected Indicator
 - v. Rejected reason Code
- c. Estimated Read Notification;
 - i. Estimated Reading / Consumption
 - ii. Date of Estimated Reading
 - iii. Reason Code for Estimated Reading (e.g. read failed validation, no read received)

Read Validation

10.1 Shipper validation carried out for all sites where a daily read is received, either a read received daily or daily reads received at set intervals, excluding those sites in Process 1;

- a. A completeness check to ensure that all readings expected have been received including Converter readings where fitted
- b. Tolerance check to ensure the consumption derived from the reading is within the specified tolerance for the AQ band, as per the table below;

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Lower AQ band	Upper AQ band	Tolerance
0	73,199	± X% Meter Point SOQ
73,200	731,999	± X% Meter Point SOQ
732,000	5,859,999	± X% Meter Point SOQ
5,860,000	29,299,999	± X% Meter Point SOQ
29,300,000	57,599,999	± X% Meter Point SOQ

10.2 Shipper validation carried out for all sites where a periodic read is received;

- a. Tolerance check to ensure the consumption derived from the reading is within the specified tolerance for the AQ band, as per the table below;

Lower AQ band	Upper AQ band	Tolerance
0	73,199	± X% Meter Point AQ
73,200	731,999	± X% Meter Point AQ
732,000	5,859,999	± X% Meter Point AQ
5,860,000	29,299,999	± X% Meter Point SOQ
29,300,000	57,599,999	± X% Meter Point SOQ

10.3 GT validation carried out at read receipt of the Shipper readings, actual or estimated;

- a. For sites in Processes 1, 2 & 3, a completeness check to ensure that all readings expected have been received.
- b. For sites in Processes 1, 2 & 3, tolerance check at read receipt, reject if;
 - i. Read produces a negative consumption except after an estimated read.
 - ii. Consumption is greater than or less than 2 x the Meter Point SOQ
- c. For all sites (Processes 1, 2, 3 & 4), a tolerance check based on the reconciliation energy calculated at read receipt against the AQ for the meter point, as per the table below;
 - i. Note: This check will only be required following a re-synch for processes 1, 2 & 3;

Lower AQ band	Upper AQ band	Tolerance [TBD]
0	73,199	[Rec Energy ±Y% x AQ/ read period].
73,200	731,999	[Rec Energy ±Y% x AQ/ read period]
732,000	5,859,999	[Rec Energy ±Y% x AQ/ read period]
5,860,000	29,299,999	[Rec Energy ±Y% x AQ/ read period]

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29,300,000	57,599,999	[Rec Energy \pm Y% x AQ/ read period]
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- d. Any reads that fail the GT tolerance check above will be rejected & a notification issued to the Shipper.
- e. A rejected read can be re-submitted if the Shipper confirms that the read is correct.
- f. Note: The GT validations are aimed at protecting the industry & allocation processes and to significantly reduce the potential number of 'Filter Failure' rejections.

Check Read

11.1 Check Read obligations will continue to apply to detect any drift between the meter & AMR equipment. Check Read requirement will only apply to sites fitted with metering equipment that derive reads (opposed to those that transmit reads);

- a. Every 12 months for sites with an AQ greater than or equal to 29,300,000 kWh
- b. Every 24 months for sites with an AQ less than 29,300,000 kWh and greater than or equal to 293,000 kWh
- c. Every 36 months for sites with an AQ less than 293,000 kWh

11.2 Note: Where a site with AMR equipment is transferred to the existing NDM regime the Check Read obligation will cease to apply.

11.3 Note: Check Read obligations may need to be re-visited if the current 2 year 'Meter Inspection' obligations are amended

Treatment of AMR drift/resynchronisations

12.1 [For sites in Processes 1 or 2;

- a. A Re-Synch will be notified to xoserve & recorded. The treatment of any drift between the read derived via the AMR device for these sites will be Pro-rata from the last resynchronisation. The existing DM Resynch rules will be applied for these calculations.
- b. Where a Shipper transfer occurs during the period of the re -synch the relevant charges will be applied to the incoming Shipper in line with existing DM reconciliation rules].

Other Requirements

13.1 [Because third parties may also be submitting readings for the meter on behalf of the Shipper (see Assumptions above), an audit trail is required to identify which party submitted each reading and validation to ensure only authorised parties submit reads].

4 Relevant Objectives

The Proposer believes that this modification will better facilitate the achievement of **Relevant Objectives (d) (i) & (ii)**.

Proposer's view of the benefits of 0377 against the Code Relevant Objectives

Description of Relevant Objective	Identified impact
a) Efficient and economic operation of the pipe-line system.	No
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.	No
c) Efficient discharge of the licensee's obligations.	No
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.	Yes
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.	No
f) Promotion of efficiency in the implementation and administration of the Code	No

Achievement of Relevant Objective (d) (i) & (ii)

Increasing the number of consumers that can utilise daily read information will improve the accuracy of settlement. This will generally improve the accuracy of cost allocation and so improve competition between Suppliers. For Shippers, increasing the number of sites that are allocated using site specific information, as opposed to estimates, will also improve the accuracy of cost allocation and so improve competition.

5 Impacts and Costs

Costs

We would expect that this modification would be implemented as part of Project Nexus and so any cost implications would be considered as part of that project.

Impacts

We would expect that this modification would be implemented as part of Project Nexus, which has the potential to significantly alter current system and market arrangements. In addition we are mindful that the Smart Metering Implementation Programme may impact the services xoserve delivers, and in addition the services offered by the Transporters may be altered by the forthcoming price control. In light of these potential changes, and the long-lead time of any implementation of this modification, it seems premature to attempt to identify specific impacts at this stage.

We would therefore expect to be in a better position to identify these changes when the scope of Project Nexus, and the exact nature of the Smart Metering Implementation Programme has been identified.

Impact on Transporters' Systems and Process

Transporters' System/Process	Potential impact
UK Link	TBC
Operational Processes	TBC
User Pays implications	TBC

Impact on Users

Area of Users' business	Potential impact
Administrative and operational	TBC
Development, capital and operating costs	TBC
Contractual risks	TBC
Legislative, regulatory and contractual obligations and relationships	TBC

Impact on Transporters

Area of Transporters' business	Potential impact
System operation	TBC

Impact on Transporters	
Development, capital and operating costs	TBC
Recovery of costs	TBC
Price regulation	TBC
Contractual risks	TBC
Legislative, regulatory and contractual obligations and relationships	TBC
Standards of service	TBC



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.com/networkcodearchive/551-575/>

Impact on Code Administration	
Area of Code Administration	Potential impact
Modification Rules	TBC
UNC Committees	TBC
General administration	TBC

Impact on Code	
Code section	Potential impact
Uniform Network Code Validation Rules	TBC
UNC TPD Section G (sections 1.5 & 2)	TBC
UNC TPD Section M (Sections 1.5, 3-6)	TBC

Impact on UNC Related Documents and Other Referenced Documents	
Related Document	Potential impact
Network Entry Agreement (TPD I1.3)	TBC
Network Exit Agreement (Including Connected System Exit Points) (TPD J1.5.4)	TBC
Storage Connection Agreement (TPD R1.3.1)	TBC
UK Link Manual (TPD U1.4)	TBC
Network Code Operations Reporting Manual (TPD V12)	TBC
Network Code Validation Rules (TPD V12)	TBC
ECQ Methodology (TPD V12)	TBC
Measurement Error Notification Guidelines (TPD V12)	TBC

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Impact on UNC Related Documents and Other Referenced Documents	
Energy Balancing Credit Rules (TPD X2.1)	TBC
Uniform Network Code Standards of Service (Various)	TBC

Impact on Core Industry Documents and other documents	
Document	Potential impact
Safety Case or other document under Gas Safety (Management) Regulations	TBC
Gas Transporter Licence	TBC
Transportation Pricing Methodology Statement	TBC

Other Impacts	
Item impacted	Potential impact
Security of Supply	TBC
Operation of the Total System	TBC
Industry fragmentation	TBC
Terminal operators, consumers, connected system operators, suppliers, producers and other non code parties	TBC

6 Implementation

We propose that this modification is implemented as part of the deployment of Project Nexus.

7 The Case for Change

In addition to that identified the above, the Proposer has identified the following:

Advantages

- Allows consumers to be settled on daily reads, improving bill accuracy and incentivises active reductions in energy usage.
- Allows Shippers to be allocated and settled on actual data, so improving cost allocation and reducing costs to all consumers.
- Increases general accuracy of allocation and settlement, so improving understanding of the gas needs of consumers and the level of Unidentified Gas lost in the network.

Disadvantages

- None Identified

8 Recommendation

The Proposer invites the Panel to:

- DETERMINE that Modification 0377 progress to the Project Nexus Workstream.