

## Representation

### Draft Modification Report

#### 0466 0466A - Daily Meter Reading Simplification (with improved within day data provision)

**Consultation close out date:** 06 November 2014

**Respond to:** enquiries@gasgovernance.co.uk

**Organisation:** National Grid NTS

**Representative:** Martin Connor

**Date of Representation:** 04 November 2014

#### Do you support or oppose implementation?

0466 - Support/Oppose/Qualified Support/Neutral/Comments\* *delete as appropriate*

0466A - Support/Oppose/Qualified Support/Neutral/Comments\* *delete as appropriate*

#### If either 0466 or 0466A were to be implemented, which would be your preference?

Prefer 0466

#### Please summarise (in one paragraph) the key reason(s) for your support/opposition.

National Grid NTS acknowledges the desire to simplify Daily Reading procurement and provision, and is sympathetic to the general aim of both Modification Proposals.

We support the 0466 proposal - that any within day readings be provided to the User 'where, in the opinion of the Transporter it is feasible to do so, subject to terms agreed between the Transporter and the User'.

We do not support Modification 0466A, as by simply removing the original text from Section M, it would mean that National Grid NTS is obliged to offer a service for within day meter readings, upon request of a single Registered User, which would be a User Pays service. This could result in considerable resourcing and capital costs on National Grid NTS and Xoserve which have not been assessed either via a ROM or a DCA.

National Grid NTS would also have to develop new charging arrangements as well as new system functionality in order to implement this service.

#### Modification Panel Members have indicated that it would be particularly helpful if the following question(s) could be addressed in responses:

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## How many sites are likely to take up the service?

Unknown - a new User Pays service would be created under Modification 0466A. There is insufficient information in the Modification Proposal to assess take up of that service for Daily Metered (DM) supply points connected to the National Transmission System.

## Are there any new or additional issues that you believe should be recorded in the Modification Report?

Yes – please see below our comments about the Legal Text for 0466A.

### Relevant Objectives:

*How would implementation of this modification impact the relevant objectives?*

National Grid NTS agrees that the proposed changes do not apply to Relevant Objective c) in terms of the GT licenses.

The Draft Modification Report asserts that both 0466 and 0466A would have a positive impact in relation to Relevant Objective f) 'Promotion of efficiency in the implementation and administration of the Code'. However, National Grid NTS considers that there would not be a positive impact from 0466A. Additional administration and complexity would result from having to provide daily reads to shippers via UK Link. Efficiency cannot therefore be demonstrated because an uncosted new service has, in effect, been proposed, with no accompanying business case or risk analysis.

### Impacts and Costs:

*What analysis, development and ongoing costs would you face if this modification were implemented?*

National Grid NTS considers that the impact and costs of 0466A could be substantial. There has been no ROM or DCA and we do not agree that 0466A 'would enable Transporters to provide a significantly more efficient and cost effective Meter Reading service for DM Supply Points subjected to the Daily Read Requirement'. The original intent of 0466, as stated in the legal text commentary, was 'to reflect relaxation of Transporters' obligations to provide DMRs on request'. Instead a new NTS service obligation and service is now required.

### Implementation:

*What lead-time would you wish to see prior to this modification being implemented, and why?*

National Grid NTS considers there to be no barriers to early implementation of 0466. However, we would need to understand the full implications of 0466A and the requirement on National Grid NTS to provide daily reads on request via UK Link before being in a position to comment fully on the lead time for implementation. Our initial view is that it may be considerable.

### Legal Text:

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*Are you satisfied that the legal text and the proposed ACS (see [www.gasgovernance.co.uk/proposedACS](http://www.gasgovernance.co.uk/proposedACS)) will deliver the intent of the modification?*

Yes, in relation to 0466.

No, in relation to 0466A. Whereas 0466 excludes the mandatory provision of within day read data (such provision would become subject to commercial terms outside of the UNC), 0466A proposes in the Solution section that 'such within day read data is continued to be provided...'

The original text in TPD M 4.6.1 included the following caveat to the current provision for within day read data: 'provided it is operationally feasible to do so, make available to the Registered User....'. There is also additional text in 0466A stating that 'the Transporter will, upon request by the Registered User subject to payment of appropriate charges by the User to the Transporter, provide to the User within-Day readings received from the Daily Read Equipment by means of a UK Link Communication'. We consider that this goes above and beyond the intention of the original proposal. Additionally, no analysis has been provided on the impacts of removing the important qualification: 'and provided it is operationally feasible to do so make available to the Registered User'.

We believe that, without this analysis, the costs (including any one-off set up costs) of the 0466A User Pays service may have been significantly underestimated by the Proposer.

**Is there anything further you wish to be taken into account?**

*Please provide any additional comments, supporting analysis, or other information that that you believe should be taken into account or you wish to emphasise.*

No