

Variation Request

0451 - Individual Settlements For Pre-Payment & Smart Meters

Date: 11 December 2013

The Proposer, Winchester Gas, requests a variation to this modification, pursuant to UNC Modification Rules Section 6.5.1(c) of the UNC.

Reason for Variation

Ofgem requested the following points were considered by Panel and this variation reflects the changes required:

- Legal text should be included that would enable either modification to be given full effect; and
- Further clarity from Xoserve on its high level estimate of the implementation and operational costs of implementing either modification, and any further information Xoserve provides on this should be included in a revised version of the Final Modification Report.

The Proposer considers this variation to be an immaterial change.

Nature of the Variation

Section 1 Summary, Solution

Amend first sentence to clarify when the pre-payment meter profile is to be developed by.

It is proposed that Xoserve develop, ~~before the start of~~ for the 2013/14 gas year, an estimated profile for pre-payment meters using the pre-payment usage data submitted by Winchester Gas along with any other supporting data available from other shippers.

Section 3 Solution

Amend first paragraph - to clarify when the pre-payment meter profile is to be developed by and that the profile can be reviewed when data is available to do so.

It is proposed that any pre-payment meter or Smart meter, in pre-pay mode, be reconciled on a profile for each LDZ, or group of LDZs dependent on the Transporters' Agent, on behalf of the Transporters, (referred to as Xoserve in the remainder of these business rules) judgement of the most appropriate approach to aggregating the available data, derived for pre-payment meters rather than the current EUC1 profile which is

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based on the usage from a credit meter. Xoserve shall produce the pre-payment profile ahead of for the gas year 2013/14 using the best data available to them at the time the profile is produced. Xoserve will be able to review the pre-payment profile on an annual basis if they receive data that will enable them to produce a more accurate profile.

Insert new business rule in '1. Scope', numbered 1.5, which confirms that all pre-payments are included in the pre-payment meter profile. Renumber the following rules 1.6 to 1.9

1.5 – All pre-payment meters identified in the snap shot taken in 1.4 will be subject to the new pre-payment profile.

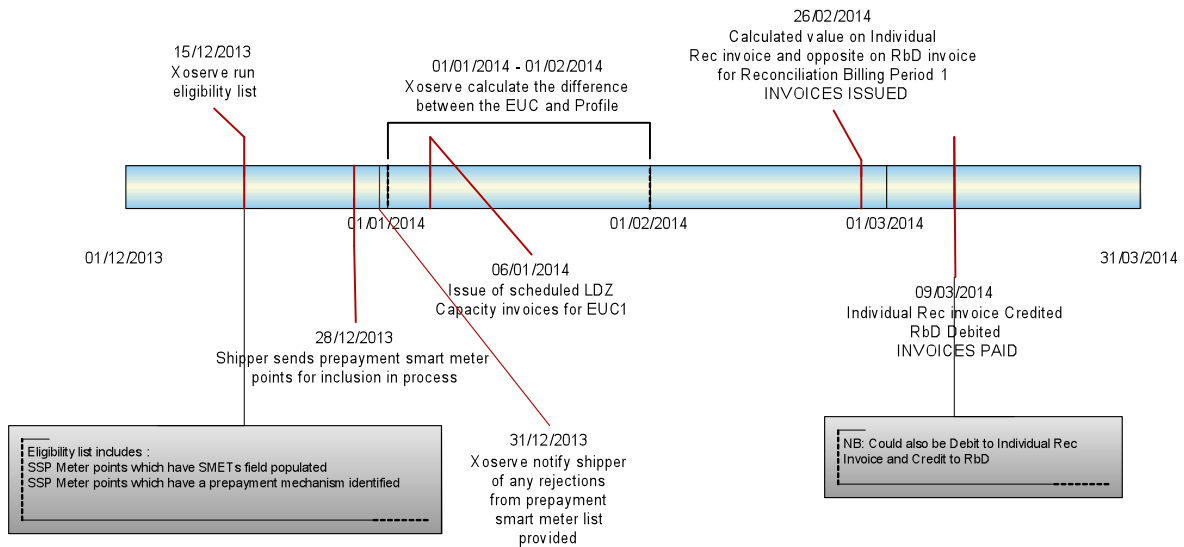
Amend business rule 8.1 to clarify when Xoserve will run the snap shot report set out in business rule 1.4, correct a reference due to the insertion of new rule 1.5, and correct a typographic error.

8.1 – **Within 1 month of implementation** ~~During October 2013~~ Xoserve will run the snap shot report in 1.4 historically for the period 1st October 2012 to [the implementation date](#) to identify those sites eligible for the alternative pre-payment profile as per the conditions in paragraph 2. The shippers will also run the report in 1.56 for the same period so that the smart meters in pre-payment mode can be identified. A shipper will need to ~~of~~ **have** provided this report [within 1 month of implementation](#) for the supply points to be re-billed. Xoserve will calculate the difference between the energy and transportation commodity charges allocated and the energy and transportation commodity charges that would have been allocated based on the derived pre-payment profile, with appropriate adjustments made for weather for the period 1st October 2012 to 30th September 2013. A subsequent credit or debit will then be issued to each shipper.

Insert the process timeline below business rule 8.1

Below is an example timeline for the reconciliation billing periods

Timeline in Reconciliation Billing Periods for 0451 Transaction



Winchester Gas also includes suggested legal text to accompany the varied Modification Proposal (subject to Modification Panel approval):

Section 6 Legal Text

Suggested Text

TRANSPORTATION PRINCIPAL DOCUMENT

SECTION E: DAILY QUANTITIES, IMBALANCES AND RECONCILIATION

Amend paragraph 1.3.2 to read as follows:

1.3.2 "Individual NDM Reconciliation" includes:

(a) a reconciliation and adjustment in respect of gas offtaken from the Total System ...

(i) where the Supply Meter Point ...

(1) the quantities ...

(2) the quantities ...

(ii) where the Supply Meter Point ...

(1) the quantities ...

(2) the quantities ...; and

(b) Individual Eligible SSP Reconciliation.

Amend paragraph 1.3.6 to read as follows:

1.3.6 For the purposes of an Individual NDM Reconciliation ...

- (a) ...
- (b) ...
- (c) "Reconciliation Values" means:
 - (i) NDM Reconciliation Quantities, DM Reconciliation Quantities, ~~(as the case may be)~~ Individual CSEP Reconciliation Quantities or (as the case may be) Individual Eligible SSP Reconciliation Quantities; and
 - (ii) ...

Amend paragraph 6.1.1 to read as follows:

6.1.1 Individual NDM Reconciliation will be carried out:

- (a) (for all Days in the relevant Meter Reading Period) ...; and
- (b) in respect of an Eligible SSP in accordance with paragraph 6.9.

Add new paragraph 6.9 to read as follows

6.9 Individual Eligible SSP Reconciliation

6.9.1 For the purposes of this Section E:

- (a) "Eligible SSP Profile" is the profile developed by the Transporter Agency in respect of Eligible SSPs for the purposes of this paragraph 6.9;
- (b) "Individual Eligible SSP Reconciliation" is reconciliation and an adjustment in relation to an Eligible SSP in respect of the differences between the quantities determined as offtaken by a User during a Reconciliation Billing Period by reference to:
 - (i) the Applicable End User Category for Smaller Supply Points in accordance with Section H2;
 - (ii) the Eligible SSP Profile;
- (c) the "Individual Eligible SSP Reconciliation Quantity" is the amount by which the quantity determined under paragraph 6.9.1(b)(i) differs from the quantity determined under paragraph 6.9.1(b)(ii). The Individual Eligible SSP Reconciliation Quantity is:

- (i) negative where the quantity under paragraph 6.9.1(b)(i) exceeds the quantity under paragraph 6.9.1(b)(ii);
 - (ii) positive where the quantity under paragraph 6.9.1(b)(ii) exceeds the quantity under paragraph 6.9.1(b)(i);
- (d) the Reconciliation Clearing Value for an Individual Eligible SSP Reconciliation Quantity for a Reconciliation Billing Period shall be established by multiplying the Individual Eligible SSP Reconciliation Quantity by the System Average Price for each Day in the Reconciliation Billing Period.
- 6.9.2 For each Reconciliation Billing Period and for each LDZ an "Eligible SSP" is a Smaller Supply Point which is identified in:
- (a) a report submitted by the Transporter to Users in accordance with paragraph 6.9.3 in respect of the Reconciliation Billing Period; and
 - (b) the notice submitted by a User in accordance with paragraph 6.9.4 in respect of the Reconciliation Billing Period.
- 6.9.3 On the 15th day of each calendar month (or where such day is not a Business Day the next following Business Day) the Transporter will prepare a report identifying in respect of each LDZ those Smaller Supply Points at which on the 15th day of the calendar month the Supply Point Register indicates there is installed a Pre-payment Meter or relevant Smart Meter.
- 6.9.4 A User shall between the date following the date on which the Transporter prepares the report under paragraph 6.9.3 and the 28th day of the calendar month (or where such day is not a Business Day the next following Business Day) submit a notice to the Transporter specifying for each LDZ the Supply Meter Point Reference Number for each Supply Meter Point comprised in a Smaller Supply Point of which it is the Registered User, at which the User, acting reasonably, believes there to be installed a relevant Smart Meter.
- 6.9.5 An Eligible SSP will remain an Eligible SSP in respect of a Reconciliation Billing Period where the Eligible SSP ceases to be a Smaller Supply Point following the 15th day of the relevant calendar month (but shall not be an Eligible SSP in respect of any subsequent Reconciliation Billing Period).
- 6.9.6 Where a User ceases to be the Registered User of an Eligible SSP the User shall be continue be treated as being the Registered User of the Eligible SSP for the purposes of this paragraph 6.9 for the Reconciliation Billing Period for which the relevant calendar month is the month in which the User ceased to be the Registered User.
- 6.9.7 In the event a User fails to submit a notice in accordance with paragraph 6.9.4 the last such notice submitted by the User in respect of the LDZ shall be used to determine which Smaller Supply Points are Eligible SSPs.

6.9.8 For the purposes of this paragraph 6.9, a "relevant" Smart Meter is a Smart Meter which is operating in pre-payment mode.

Amend paragraph 7.2.1 to read as follows:

7.2.1 For the purposes of this paragraph 7:

- (a) ...
- (b) "Annual Individual NDM Reconciliation" is Individual NDM Reconciliation in respect of Supply Meter Points with Annual Read Meters; Individual NDM Reconciliation; ~~and~~ DM Reconciliation for gas illegally taken under paragraph 3.5.1, ~~and~~ Individual NDM Reconciliation in relation to adjustments pursuant to paragraph 7.2.2(i) and Individual Eligible SSP Reconciliation;
- (c) ...

Amend paragraph 7.2.2 to read as follows:

7.2.2 Subject to paragraph 7.8, for each Reconciliation Billing Period, for each LDZ and for each Individual Reconciliation Sector:

- (a) the "Aggregate Reconciliation Quantity" and the "Aggregate Reconciliation Clearing Value" are the net aggregate respectively of the Reconciliation Quantities and Reconciliation Clearing Values for System Exit Points in the LDZ and LDZ Reconciliation and Individual Reconciliation Sector for which Individual Reconciliation or LDZ Reconciliation was carried out in (or in respect of) that Reconciliation Billing Period;

....

SECTION M: SUPPLY POINT METERING

Amend paragraph 1.2.2 to read as follows:

1.2.2 For the purposes of the Code, in relation to a Supply Meter Point:

- (a) ...
- (b) ...
- (c) ... is to be read accordingly;
- (d) a "Pre-payment Meter" is a Supply Meter in respect of which a consumer must pre-pay for the supply of gas passing through the meter.

TRANSITION DOCUMENT

PART IIC - TRANSITIONAL RULES

Add Section 13 after 12.3.3 to read as follows:

13 TPD Section E: Daily Quantities, Imbalances and Reconciliation

13.1.1 By no later than [] 2013 a User will submit a report to the Transporter identifying in respect of each LDZ those Smaller Supply Points in relation to which it is the Registered User at which on [] 2013 a Pre-payment Meter or a Smart Meter operating in pre-payment mode is installed (each such Smaller Supply Point a "relevant SSP").

13.1.2 Following receipt of a report under paragraph 1.13.1 the Transporter shall calculate in respect of a relevant SSP the difference in the quantity of gas (the "adjustment quantity") treated as offtaken between 1 October 2012 and [] ("the adjustment period") at the relevant SSP by reference to:

- (a) the Applicable End User Category for Smaller Supply Points; and
- (b) the Eligible SSP Profile for Smaller Supply Points at which a Pre-payment Meter or a Smart Meter operating in prepayment mode is installed.

13.1.3 The adjustment quantity shall be positive where the quantity under paragraph 13.1.2(b) is greater than the quantity under paragraph 13.1.2(a) and negative where the quantity under paragraph 13.1.2(a) is greater than the quantity under paragraph 13.1.2(b). The Reconciliation Clearing Value shall be established by multiplying the adjustment quantity by the System Average Price for each Day in the adjustment period and shall be deemed to have been sold and purchased pursuant to System Clearing Contract pursuant to Section F5.

Proposer's Representative

Huw Comerford

Proposer

Winchester Gas

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