

Stage 02: Workgroup Report

0425:

Re-establishment of Supply Meter Points – Shipperless sites

At what stage is this document in the process?

- 01 Modification
- 02 Workgroup Report
- 03 Draft Modification Report
- 04 Final Modification Report

This modification proposal seeks to further modify existing provisions of the UNC regarding the re-establishment of Supply Meter Points for Shipperless sites.



The Workgroup recommends that this modification should proceed to Consultation



Medium Impact:
Transporters & Users

0425

Workgroup Report

04 February 2013

Version 1.0

Page 1 of 22

© 2013 all rights reserved

Contents

1	Summary	3
2	Why Change?	5
3	Solution	6
4	Relevant Objectives	11
5	Impacts	12
6	Implementation	13
7	Legal Text	14
8	Recommendation	18
10	Appendices	19

About this document:

This report will be presented by the Workgroup to the Panel on 21 February 2013.

The Panel will consider whether the modification is sufficiently developed to proceed to Consultation and to submit any further recommendations in respect of the definition and assessment of this modification.


Any questions?
Contact: Joint Office
 enquiries@gasgovernance.co.uk
 0121 623 2115
Proposer: Andrew Margan British Gas Trading
 andrew.margan@centrica.com
 07789 577327
Xoserve: Alison Jennings
 commercial.enquiries@xoserve.com
 telephone
Systems Provider: Xoserve
 commercial.enquiries@xoserve.com

1 Summary

The Modification Panel determined that this modification should not follow the Self-Governance procedures.

Why Change?

Whilst clear in respect of User Transportation charge liability, the current provisions of the UNC do not clarify the User registration status at a Supply Point which has been subject to Effective Supply Point Withdrawal or Isolation but which remains capable of flowing gas.

Accordingly, whilst in such cases the User (Shipper) is liable for Transportation charges, the Supplier is unable to recover the costs from the consumer given that the lack of a registration in the Transporter Supply Point Register (SPR) means that there is no Deemed Supply Contract in place.

This potentially results in costs, which are smeared to the remainder of the industry.

National Grid Distribution has raised Modification 0424 to address a specific issue where the previously connected Supply Meter (with the same serial number and number of dials as provided as part of the Meter Information) is physically connected to the System such that gas is capable of being offtaken.

However, there are also circumstances, which are not covered by Modification 0424 proposal but which also need to be addressed, where the Transporter (or another party) during for example a gas safety visit identifies, that following an Isolation or Withdrawal, a different Supply Meter (to the previously connected Supply Meter) is installed at the premises that is capable of flowing gas.

In the absence of any knowledge of who installed the different Supply Meter or when the meter was installed, it is evident that these meter points could remain Shipperless indefinitely.

Where practically achievable, consumers should use gas pursuant to supply arrangements. The Gas Act Schedule 2B defines the circumstances where such a supply arrangements are deemed to exist; however the current UNC terms prevent such arrangements being deemed to exist in the case of Shipperless sites.

Given that Users already have the charging liability under the prevailing terms of the UNC, it should be of benefit to the industry as a whole to enable deemed supply arrangements to exist by clarifying the SPR registration status in respect of the relevant shipperless sites. Accordingly to statistics provided by the Transporters' agent, Xoserve, shipperless sites are an increasing population, which increases the risk of socialised costs.

Solution

It is proposed that the UNC is modified to place an obligation on the last registered Shipper to take responsibility for resolving the issue by undertaking investigations as appropriate and by ensuring that actions are undertaken that will satisfactorily resolve the issue within three months from the date of notification from the Transporter.

Successful outcomes of a Shippers investigation could include: the re-registration of the site by the investigating Shipper or the registration of the site by another Shipper.

Where a successful outcome is not delivered by the investigating Shipper within the prescribed timescale, the User's registration will remain in place from the date of the Effective Supply Point Withdrawal or Isolation.

For clarification, where a successful outcome is delivered, the relevant Transportation and energy costs will be applied to the newly registered Shipper from the date the different Supply Meter was capable of gas flowing. Where this date is unknown, costs will be applied from the date of the notification of the issue to the investigating Shipper.

Relevant Objectives

This modification may facilitate Relevant Objective Standard Special Condition A11.1 (d):

As some participants consider this modification identifies measures, which serve to mitigate the likelihood of Shipperless sites occurring and such a mechanism should therefore be considered to facilitate competition in the gas market. The modification may introduce measures likely to bring about an eventual reduction in the overall number of Shipperless sites by reducing the number of new instances and thereby should further competition by targeting costs appropriately.

However, some participants consider an unintended consequence of this modification is that some Users may take a risk averse approach and disconnect sites, which may then lead to additional connections costs should a consumer subsequently require a gas supply. This would add additional cost and complexity and not further this relevant objective.

Implementation

No specific timescale is proposed. Only new effective withdrawals on or after the implementation date are captured within this proposal. A backlog of Supply Points relevant to this Modification exist, which will need to be addressed. A process to resolve historic Shipperless sites will require further development, which is outside of this modification.

2 Why Change?

Overview

Further to the objectives of Modification 0424, this proposal seeks to address a further subset of Shipperless sites, which are out of scope of that modification proposal.

National Grid Distribution's Modification 0424 seeks to address the specific issue where the previously connected Supply Meter (with the same serial number and number of dials as provided as part of the Meter Information) is physically connected to a System such that gas is capable of being off-taken.

However, there are also circumstances, which are not covered by Modification 0424 proposal but which also need to be addressed, where the Transporter (or another party) during for example a gas safety visit identifies, that following an Isolation or Withdrawal, a different Supply Meter (to the previously connected Supply Meter) is installed at the premises that is capable of flowing gas.

In the absence of any knowledge of who installed the different Supply Meter asset or when the meter was installed, it is evident that these meter points could remain Shipperless indefinitely.

Therefore if appropriate action is not taken to address the situation, there is a clear risk that the costs of any gas consumed at Shipperless sites will continue to be inappropriately targeted and will alternatively be smeared to the remainder of the industry.

Background

The industry volumes of shipperless and unregistered sites are published bi-monthly, by Xoserve.

Data issued in January 2012 show that the existing volume of Shipperless sites affected by the specific issue that this modification proposal is trying to address is 4,657.

The table below clearly identifies that the volume of these sites have been increasing steadily of the past 2 years.

Date In	MPR In	Date Out	MPR Out	Total
May 2010	3205	May 2010	0	3205
Jul 2010	399	Jul 2010	19	3585
Sep 2010	597	Sep 2010	53	4129
Nov 2010	11	Nov 2010	369	3771
Jan 2011	443	Jan 2011	125	4089
Mar 2011	323	Mar 2011	91	4321
May 2011	13	May 2011	87	4247
Jul 2011	293	Jul 2011	19	4521
Sep 2011	191	Sep 2011	53	4659
Nov 2011	135	Nov 2011	46	4748
Jan 2012	108	Jan 2012	199	4657

Note: MPR - Meter Point Reference

3 Solution

It is proposed that the UNC is modified to place an obligation on the last registered Shipper to take responsibility for resolving the issue by undertaking investigations as appropriate and by ensuring that actions are undertaken that will satisfactorily resolve the issue within three months from the date of notification.

Successful outcomes of a Shippers investigation could include: the re-registration of the site by the investigating Shipper or registration of the site by another Shipper.

Where a successful outcome is not delivered by the investigating Shipper within the prescribed timescale, the User's registration will remain in place from the date of the Effective Supply Point Withdrawal.

For clarification, where a successful outcome is delivered, the relevant Transportation and energy costs will be applied to the newly registered Shipper from the date the different Supply Meter was capable of gas flowing. Where this date is unknown the costs will be applied to the investigating Shipper from the date of Transporter notification.

The presence of a registration in the Supply Point Register will ensure that a Deemed Supply Contract is in place and thus enable the User to recover its costs through its Supplier arrangements.

Business Rules

Introduction

1. These Business Rules have been drafted to support Modification 0425. For the purposes of this process a "Shipperless site" is defined as a Supply Meter Point which is not registered to a Shipper following an effective Supply Point Withdrawal.
2. The situations covered by this proposal are where the Transporter (or another party) during, for example, a gas safety visit identifies, that following an Isolation or effective Supply Point Withdrawal, a Supply Meter other than that previously installed as identified by the Meter Serial Number is installed which is capable of flowing gas.
3. If following an effective Supply Point Withdrawal or Isolation it is identified the same meter (meter serial number, number of dials etc) remains connected this specific circumstance is not covered by this proposal.
4. For clarification this proposal does not cover the situation where the service is removed and the MPRN is set to dead.
5. For the purpose of this proposal a month is defined as a calendar month.
6. The Transporter is able to recover the costs from the relevant Shipper for the so called 'abortive' visits. These occur where the Transporter is unable to cut off the service pipe in accordance with the Gas Safety (Installation and Use) Regulations 1998 due to the presence of a Supply Meter, which is connected to the Transporters Emergency Control Valve (ECV).
7. This proposal will capture all prospective Effective Supply Point Withdrawals and Isolations on and after the date of implementation.

0425
Workgroup Report
04 February 2013

Version 1.0

Page 6 of 22

© 2013 all rights reserved

Transporter Activity

1. The Transporter normally completes a Gas Safety (GSIU) Visit on behalf of Shippers approximately 12 months after the date of the notification of the meter removal.
2. During the Gas Safety Visit, or any other visit, the Transporter will identify if a meter is connected to the system, which is capable of flowing gas.
3. If no meter is identified the Transporter removes the Service and the Supply Meter Point is set as dead.
4. If a Supply Meter different to that previously held on the Supply Point Register is identified in situ and is capable of flowing gas the Transporter will use reasonable endeavours to record the data, which is deemed as appropriate for the Shipper to re-register the site. The data should include, date of meter fit (if known), date of visit, relevant asset reading details, relevant asset details (serial number, manufacturer, model, year of manufacture, and location) and for meter assets: metric/imperial indicator, meter type, number of dials) and conversion basis for converter assets. The Transporter will also provide any details on tags or stickers attached to the meter. If available the customer name, customer reference number and contact details should be obtained.
5. The Transporter (Xoserve) will perform a validation to identify if the meter is registered to another MPRN (Duplicate process) and if so, will take the necessary action to resolve the duplication.
6. The Transporter (Xoserve) will undertake a Shipper Activity report, to identify any other Shipper attempted confirmations, registrations, meter readings or Shipper asset updates to the Connections & Disconnections (C&D) store. In the case of a Withdrawn Supply Point, if Shipper activity is identified, that post dates the previous registered Shippers' withdrawal date the Visit data will be issued to the relevant Shipper, (whether this be the previous registered shipper or another Shipper), within 1 month of the visit.
7. If more than one Shipper (Multi-Shipper activity) is identified through Shipper activity process the Shipper undertaking the last activity will be held responsible and issued the Visit data.
8. If a MAM / Meter Worker updates the C&D store with Shipper details it is not deemed as Shipper activity, although the Transporter (Xoserve) will confirm with the relevant Shipper if they are responsible. If the Shipper confirms they are responsible the Visit data will be issued within 1 month, notifying them to complete the Supply Meter Point registration within 1 month. If the Shipper confirms they are not the responsible party the last previously registered Shipper (or registered Shipper for Isolated sites) will be issued the Visit data within 1 month.
9. If no Shipper activity is identified (attempted confirmations, registrations, meter readings or Shipper asset updates to the C&D store) the last previously registered Shipper (or registered Shipper for Isolated sites) will be issued the Visit data within 1 month of the visit.

No Shipper activity after the previous registered Shipper's Withdrawal

10. The last registered Shipper will have 3 months from receipt of the Visit data to examine and seek to resolve the Shipperless Supply Meter Point resulting in a registration by either themselves, or another Shipper.
11. Should within this period the last registered Shipper identify other Shipper activity they will notify the Transporter with the evidence of the other Shipper activity the Transporter will notify the other Shipper to register the Supply Meter Point within 1 month. (The other Shipper evidence is a photo of meter

0425

Workgroup Report

04 February 2013

Version 1.0

Page 7 of 22

© 2013 all rights reserved

fit a sticker and/or an industry data flow. The customer evidence may be that of their interaction with the relevant Supplier which is a customer bill, signed contract, and/or email correspondence).

12. Should there be no registration by the other Shipper within 1 month the Transporter will investigate if the evidence provided by the previously registered Shipper is genuine. If in the opinion of the Transporter the evidence is deemed not to be conclusive the previous registered Shipper will still be required to register the Supply Meter Point. The Transporter will be responsible for communicating to both parties the outcome of the investigation.

Shipper Activity

13. If other Shipper activity is identified by the Transporter (attempted confirmations, registrations, meter readings or Shipper asset updates to the C&D store) the relevant Shipper will receive the Visit data to complete an investigation and have 1 month to register the Supply Meter Point.

Registration and industry updates

14. The relevant Shipper should contractually register the Supply Meter Point from the effective Supply Point Withdrawal date (reversing the effective withdrawal), or use the meter fit date, if known.
15. Should the relevant Shipper not register the Supply Meter Point within the relevant timescales from the date they were notified, the Transporter will register the Shipper on their behalf contractually back to the effective Supply Point Withdrawal date, or the meter fit date, if known.
16. The Shipper is responsible for updating the asset details on UK Link (Supply Point Administration) systems.
17. The Shipper is responsible for notifying the Transporter of the requested confirmation effective date with a Request for Adjustment (RFA) flow so the Transporter can ensure the appropriate billing is achieved. In the absence of this date the Transporter would assume the effective Supply Point Withdrawal date.

Isolated only Shipper Activity

18. For the scenario of an Isolate only Supply Point Meter the registered Shipper will remain responsible for site regardless of other Shipper Activity.
19. For Isolated only Supply Meter Point the registered Shipper should update meter asset details on the Supply Point Register from the effective Supply Point Withdrawal date or the meter fit date, if known. Updates to the Supply Point Register should be completed within 1 month.
20. Should the registered Shipper not update meter asset details on the Supply Point Register within 1 month of the Transporter Notification, the Transporter will prompt the Shipper to update the asset details.

Miscellaneous

21. If the Shipper identifies a duplicate MPRN attached to the meter, they will notify the Transporter (Xoserve) to enable the Duplicate process.
22. If during the Supply Point registration process if it is confirmed that the customer has signed a new Supply contract with another Supplier and the relevant Shipper has registered the site the process stops.
23. If during the process the relevant Shipper ascertain the Supply Meter connected was without Shipper (or respective Supplier) activity, e.g. consumer

only activity and no other Shipper or Supplier activity can be identified e.g. Theft in Conveyance the relevant Shipper can pass the query to the Transporter for their action. Go to BR 25.

24. If during the process the relevant Shipper cannot identify warrants that they do not have any relationship between themselves and the relevant Supply Meter Point the relevant Shipper can pass the query back to Transporter for their action. The Transporter will undertake reasonable steps to identify other Shipper activity (BR 13), or then default to the previously Registered Shipper (BR 11). Should no Shipper be found to be responsible the Transporter will contact the consumer. Go to BR 25.
25. If the investigating Shipper identifies that the details of the visit do not correlate to the correct Supply Meter Point, information will be sent to the Transporter to investigate. The Transporter will investigate (possibly through a site visit) to establish and confirm the correct meter details. If following investigation it is realised the original information was incorrect the Shipper process stops and the Transporter reassess the Supply Meter Point information. If the Supply Meter Point is still Shipperless it will be re-entered into the Shipperless process. In this circumstance the Transporter is to raise a contact on Conquest.

(If it is found that the original visit was incorrect and no meter was found on site the relevant shipper gas safety visit charges will be reimbursed).

Transporter Activity for the curtailment of Theft in Conveyance

26. Where the Transporter identifies or becomes aware that a Supply Meter has been installed at a Supply Meter Point but has no reasonable evidence that this was done at the request of a Supplier and the corresponding Supply Point has not been registered by a Shipper within that period of 3 calendar months the Transporter will within 3 calendar months:
27. Investigate whether the consumer has sought or procured a supply contract.
28. Where such a contract does not exist, advise the consumer to obtain a supply contract as soon as possible.
29. Where the consumer fails to obtain a supply contract the Transporter will in normal circumstances seek to disconnect the supply of gas to the consumer. This will be subject to consideration being given to any applicable legislation, regulation or code of practice that requires the Transporter to do otherwise.
30. Where the consumer confirms they have obtained a supply contract, the Transporter will contact the relevant Shipper for confirmation that a supply contract is in place.
31. If the Shipper confirms a supply contract is in place they will be required to register the relevant Supply Meter Point within 1 month of notification by the Transporter.
32. In the event that such registration does not occur, the Transporter will within 1 month register the relevant Supply Meter Point on the Shipper's behalf.
33. In the event that the relevant Shipper warrants that a supply contract is not in place, the Transporter will advise the consumer, requesting they obtain a supply contract as soon as possible.
34. In the event that the relevant Shipper cannot be identified, the Transporter will contact the Supplier to ascertain the identity of the preferred Shipper.
35. Where after 3 months the consumer fails to obtain a supply contract the Transporter will in normal circumstances seek to disconnect the supply of gas to the consumer.

0425

Workgroup Report

04 February 2013

Version 1.0

Page 9 of 22

© 2013 all rights reserved

Charging, costs and liabilities

36. Relevant Transporter Commodity, Customer Capacity and Energy charges will be applied to the relevant Shipper from the relevant date. For Isolated only sites the Commodity and Energy charges will apply from the date of the meter asset details update.
37. Given that there will be backdated charges applied to Shippers by the Transporter registration this will create credits in respect of Energy. A mechanism will be devised to enable a counterbalancing credit to be applied back to the Shipper community.
38. Shipper's liability will be limited to Limitation on Retrospective Invoicing timescales (currently MOD 152, 4-5 years).

User Pays
Classification of the modification as User Pays, or not, and the justification for such classification
The modification is not classified as User Pays
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

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.	Impacted
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 facilitate GT Licence Relevant Objectives

Standard Special Condition A11.1 (d): so far as is consistent with subparagraphs (a) to (c) the securing of effective competition:

- (i) Between relevant Shippers;
- (ii) Between relevant suppliers; and/or

Some participants consider this modification identifies measures, which serve to mitigate the likelihood of Shipperless sites occurring. The impact of this is to promote cost targeting on individual Users and mitigate the risks of such costs being otherwise shared to other Users via RbD. Such a mechanism should therefore be considered to facilitate competition in the gas market.

Some participants consider the Measures identified within this modification are likely to bring about an eventual reduction in the overall number of Shipperless sites by reducing the number of new instances and thereby should further competition by targeting costs appropriately.

Some participants consider an unintended consequence of this modification is that

some Users may take a risk averse approach and disconnect sites, which may then lead to additional connections costs should a consumer subsequently require a gas supply. This would add additional cost and complexity and not further this relevant objective.

5 Impacts

Impacts

Impact on Transporters' Systems and Process	
Transporters' System/Process	Potential impact
UK Link	<ul style="list-style-type: none"> Changes to Transportation Systems will be required
Operational Processes	<ul style="list-style-type: none"> Minor changes will be required to the existing process

Impact on Users	
Area of Users' business	Potential impact
Administrative and operational	<ul style="list-style-type: none"> Changes are likely to be necessary, as Users may need to react to unsolicited notifications from the Transporter
Contractual risks	<ul style="list-style-type: none"> Users may need to recover costs from consumers where the supply contract has previously been terminated. User risks increase should Transporters delay visiting sites once the 12 months period following meter removal has expired.

Impact on Transporters	
Area of Transporters' business	Potential impact
Development, capital and operating costs	<ul style="list-style-type: none"> Low level implementation costs would be incurred by Transporters as a consequence of implementing this modification.
Recovery of costs	<ul style="list-style-type: none"> No exceptional method of cost recovery is envisaged

Impact on Transporters	
Legislative, regulatory and contractual obligations and relationships	<ul style="list-style-type: none"> National Grid NTS were of the opinion that the Solution proposed in this modification should not apply to NTS meter points as they have no impact on RbD.

Other Impacts	
Item impacted	Potential impact
Terminal operators, consumers, connected system operators, suppliers, producers and other non code parties	<ul style="list-style-type: none"> Consumers may not be able to identify the relevant supplier until they start using gas and are identified as such by the Transporter

6 Implementation

Systems changes are likely to be necessary to facilitate implementation of this modification. As part of its development, consideration will need to be given to identifying an optimum timetable for implementation. No specific times scales are proposed as time scales will follow the authority decision.

Due to site visits being carried 12 months after the effective withdrawal date system changes will need to be completed within 12 months of the implementation of this modification.

The Workgroup understands that this modification would be effective on a prospective basis only. Its terms apply with respect to any Supply Meter Point, which has been Isolated or any Supply Point where the Isolation has become effective through Withdrawal no earlier than the implementation date. For the avoidance of doubt no charges identified within this modification would be retrospectively applied to any User in respect of any period prior to the implementation date nor would any re-registration of the Relevant User in respect of a previously Withdrawn Supply Point be required in respect of any period prior to the implementation date.

However, it is proposed that, subject to the appropriate direction from the Authority, and after a suitable period of development, notwithstanding that systems development may be necessary, the modification should be implemented as soon as reasonably possible.

7 Legal Text

Text

The following Text has been prepared by National Grid Distribution. An issue was raised where the legal text and business rule 24 in the Solution were not aligned, where the legal text sets a higher test on the Users and some participants consider these requirements should be aligned.

TPD Section G Supply Points

Insert paragraphs 3.7.8 – 3.7.17 as follows:

- 3.7.8 Where a Supply Meter Point has been Isolated after 1 April 2013, and is Re-established, and an Effective Supply Point Withdrawal has not occurred and the Transporter identifies that a connected Supply Meter (with a different serial number as provided as part of the Meter Information) is physically connected to a System such that gas is capable of being offtaken (without any further action being taken) from the Total System, then where gas was or is being offtaken from the Total System during such period, (as evidenced by Meter Readings), the Transporter will use its reasonable endeavours to record the Meter Information and details from any tags or stickers attached to the Supply Meter (the "Meter Data") and provide such information to the Registered User and, subject to paragraph 3.7.15, the Registered User shall be liable for:
- (a) all reasonable costs incurred by the relevant Transporter in accordance with the Siteworks Terms and Procedures (as defined in Section G7.2.2) where the relevant Transporter undertakes a visit to carry out a disconnection in accordance with the Gas Safety (Installation and Use) Regulations 1998 and where a Supply Meter is connected to a System such that gas is capable of being offtaken (without any further action being taken) from the Total System; and
 - (b) all charges (including without limitation Transportation Charges and Energy Balancing Charges) associated with such Supply Meter Point from the date of Isolation or such later date as the User may demonstrate to the Transporter's reasonable satisfaction that the Supply Meter was fitted and:
 - (i) in respect of Energy Balancing Charges for which the Registered User is liable pursuant to paragraph 3.7.4 (b) in respect of Larger Supply Points, a reconciliation will be carried out in accordance with Section E6 and applied to the aggregate reconciliation process in accordance with Section E7.2; and
 - (ii) in respect of Energy Balancing Charges and any relevant Transportation Charges for which the Registered User is liable pursuant to paragraph 3.7.4 (b) in respect of Smaller Supply Points, the Aggregate LDZ AQ shall be adjusted in accordance with Section E7.7.

[BR1,2, 18]

- 3.7.9 Where a Supply Meter Point has been Isolated after 1 April 2013 and an Effective Supply Point Withdrawal has occurred and the Transporter identifies that a connected Supply Meter (with a different serial number as provided as part of the Meter Information) is capable of flowing gas (without any further action being taken) from the Total System the Transporter will use its reasonable endeavours to record the Meter Data and, subject to paragraph 3.7.15, shall issue the Meter Data to the Relevant Registered User within one calendar month of recording it and notify the Relevant Registered User that they are required to register such Supply Meter Point in accordance with paragraph 2 within 3 calendar months of such notification (the "Registration Date") unless another User registers the Supply Meter Point in accordance with paragraph 2 before the Registration Date.

[BR6,9,10,14]

- 3.7.10 The Registered User as determined pursuant to 3.7.9 above shall be liable

0425
Workgroup Report
04 February 2013

Version 1.0

Page 14 of 22

© 2013 all rights reserved

for:

- (a) all charges (including without limitation Transportation Charges and Energy Balancing Charges) associated with such Supply Meter Point from the date the Supply Meter was capable of flowing gas or where this date is unknown, from the date of the Transporter's notice; and
- (b) all reasonable costs incurred by the relevant Transporter in accordance with Siteworks Terms and Procedures (as defined in Section G7.2.2) where the relevant Transporter undertakes a visit to carry out a service disconnection in accordance with the Gas Safety (Installation and Use) Regulations 1998 and where the Supply Meter remains connected and capable of flowing gas.

3.7.11 Where the Registered User is liable for any charges in accordance with 3.7.10 (a) above:

- (i) in respect of Energy Balancing Charges for Larger Supply Points, a reconciliation will be carried out in accordance with Section E6 and applied to the aggregate reconciliation process in accordance with Section E7.2; and
- (ii) in respect of Energy Balancing Charges and any relevant Transportation Charges for Smaller Supply Points, the Aggregate LDZ AQ shall be adjusted in accordance with Section E7.7.

3.7.12 Where gas has not been offtaken (but is capable of being offtaken without further action being taken) at such Supply Meter Point during such period then the Relevant Registered User shall register such Supply Meter Point in accordance with paragraph 2 by the Registration Date unless another User registers the Supply Meter Point in accordance with paragraph 2 before the Registration Date.

3.7.13 The Registered User as determined pursuant to 3.7.12 above shall be liable for:

- (i) Capacity Charges and Customer Charges associated with such Supply Meter Point from the date the Supply Meter Point was capable of flowing gas or if this date is not known from the date of the Transporter's notice; and
- (ii) all reasonable costs incurred by the relevant Transporter in accordance with Siteworks Terms and Procedures (as defined in Section G7.2.2) where the relevant Transporter undertakes a visit to carry out a service disconnection in accordance with the Gas Safety (Installation and Use) Regulations 1998 and where the Supply Meter remains connected and capable of flowing gas;

3.7.14 Subject to 3.7.19, where neither the Relevant Registered User nor any other User submits an appropriate Supply Point Confirmation in accordance with paragraphs 3.7.9 and 3.7.12^e above within 3 calendar months of being notified to do so by the Transporter:

(a) the Relevant Registered User shall be deemed to have granted the Transporter authority to register such Supply Meter Point using the information on the Supply Point Register in relation to such Supply Point as at the date of the Effective Supply Point Withdrawal; and

(i) the Supply Point Registration Date shall be deemed to be the date of the Effective Supply Point Withdrawal;

(ii) for the purposes of calculating the Opening Meter Reading the Transporter shall use the Meter Reading taken at the time the Transporter identifies that the connected Supply Meter (with a different serial number as provided as part of the Meter Information) is physically connected to a System such that gas is capable of being offtaken (without any further action being taken) from the Total System together with the Meter Reading provided by the Relevant Registered User immediately upon Isolation for the purposes of calculating the relevant Transportation and Energy Balancing Charges;

such that the Effective Supply Point Withdrawal shall be deemed to be void and any obligations associated with such Supply Point shall be

0425
Workgroup Report
04 February 2013

Version 1.0

Page 15 of 22

© 2013 all rights reserved

applied as if the Effective Supply Withdrawal had never become effective.

[BR15]

3.7.15 In the event that after an Isolation or Effective Supply Point Withdrawal the Transporter receives:

- (a) information about any of the following:
 - (i) a Supply Point Confirmation from a User other than the Relevant Registered User which was rejected by the Transporter in accordance with Section G 2.1.5; or
 - (ii) Meter Readings from a User other than the Relevant Registered User which were rejected; or
 - (iii) a C&D Notification, or
 - (iv) a User other than the Relevant Registered User has submitted Meter Information in accordance with Section M 3.2;

in each case '**User Activity**'; or

- (b) evidence from the Relevant Registered User that demonstrates to the Transporter's reasonable satisfaction that another User has been involved in any User Activity relating to the relevant Supply Meter Point; such evidence may include but is not limited to Meter Information, a photo of a Supply Meter Installation, a C&D Notification, a customer bill, signed contract or relevant email correspondence; or
- (c) a C&D Notification from a Non-Code Party and the Non-Code Party confirms which User such Notification was made on behalf of,

then the Transporter will issue a notice to such User within one calendar month of becoming aware of such information setting out the Meter Data and notifying the relevant User that they are required to register such Supply Meter Point in accordance with paragraph 2 within one calendar month of receiving the Transporter's notice. Where more than one User is identified pursuant to this paragraph 3.7.15 the Transporter will issue the notice to the User found to have undertaken the most recent activity in relation to the Supply Meter Point.

[BR6,7,11,12]

3.7.16 The Registered User as determined pursuant to paragraph 3.7.15 above shall be liable for:

- (a) all reasonable costs incurred by the relevant Transporter in accordance with the Siteworks Terms and Procedures (as defined in Section G7.2.2) where the relevant Transporter undertakes a visit to carry out a disconnection in accordance with the Gas Safety (Installation and Use) Regulations 1998 and where a Supply Meter is connected to a System such that gas is capable of being offtaken (without any further action being taken) from the Total System; and
- (b) all charges (including without limitation Transportation Charges and Energy Balancing Charges) associated with such Supply Meter Point from the date of Isolation or such later date as the User may demonstrate to the Transporter's reasonable satisfaction that the Supply Meter was fitted and:
- (iii) in respect of Energy Balancing Charges for which the Registered User is liable pursuant to paragraph 3.7.4 (b) in respect of Larger Supply Points, a reconciliation will be carried out in accordance with Section E6 and applied to the aggregate reconciliation process in accordance with Section E7.2; and
- (iv) in respect of Energy Balancing Charges and any relevant Transportation Charges for which the Registered User is liable pursuant to paragraph 3.7.4 (b) in respect of Smaller Supply Points, the Aggregate LDZ AQ shall be adjusted in accordance with Section E7.7.

0425
Workgroup Report
04 February 2013

Version 1.0

Page 16 of 22

© 2013 all rights reserved

3.7.17 Subject to 3.7.19, where the User identified in accordance with paragraph 3.7.15 does not submit an appropriate Supply Point Confirmation within one calendar month of being notified to do so by the Transporter:

(a) the relevant User shall be deemed to have granted the Transporter authority to register such Supply Meter Point using the information on the Supply Point Register in relation to such Supply Point as at the date of the Effective Supply Point Withdrawal; and

(i) the Supply Point Registration Date shall be deemed to be the date of the Effective Supply Point Withdrawal;

(ii) for the purposes of calculating the Opening Meter Reading the Transporter shall use the Meter Reading taken at the time the Transporter identifies that the connected Supply Meter (with a different serial number as provided as part of the Meter Information) is physically connected to a System such that gas is capable of being offtaken (without any further action being taken) from the Total System together with the Meter Reading provided by the User immediately upon the Isolation for the purposes of calculating the relevant Transportation and Energy Balancing Charges;

such that the Effective Supply Point Withdrawal shall be deemed to be void and any obligations associated with such Supply Point shall be applied as if the Effective Supply Withdrawal had never become effective.

3.7.18 Where a User identified pursuant to paragraph 3.7.9 or 3.7.15 warrants to the Transporter that they are not associated with the Supply Meter Point then the Transporter will send Meter Data and notice to register the Supply Meter Point to the User who has carried out the next most recent User Activity or where no other User Activity is identified the Transporter shall send Meter Data to the Relevant Registered User with notice that they are required to register the Supply Meter Point within 3 calendar months of receiving such notice.

[BR8,24]

3.7.19 If the Transporter identifies that a Supply Meter has been installed at a Supply Meter Point but has no reasonable evidence that this was done at the request of a User the Transporter will within 3 calendar months advise the consumer to obtain a Supply Contract and:

(a) if the consumer confirms that a Supply Contract is already in place and the relevant User verifies this then the relevant User shall register such New Supply Meter Point in accordance with paragraph 2 within 1 calendar month of being notified to do so by the Transporter failing which the provisions of paragraph 2.12.4 shall apply; or

(b) if the consumer does not enter into a Supply Contract within 3 calendar months of being notified to do so or the Transporter is unable to ascertain whether a Supply Contract is in place then the Transporter shall seek to disconnect the supply of gas to the consumer subject to any applicable legislation, regulation or relevant code of practice.

[BR21-30]

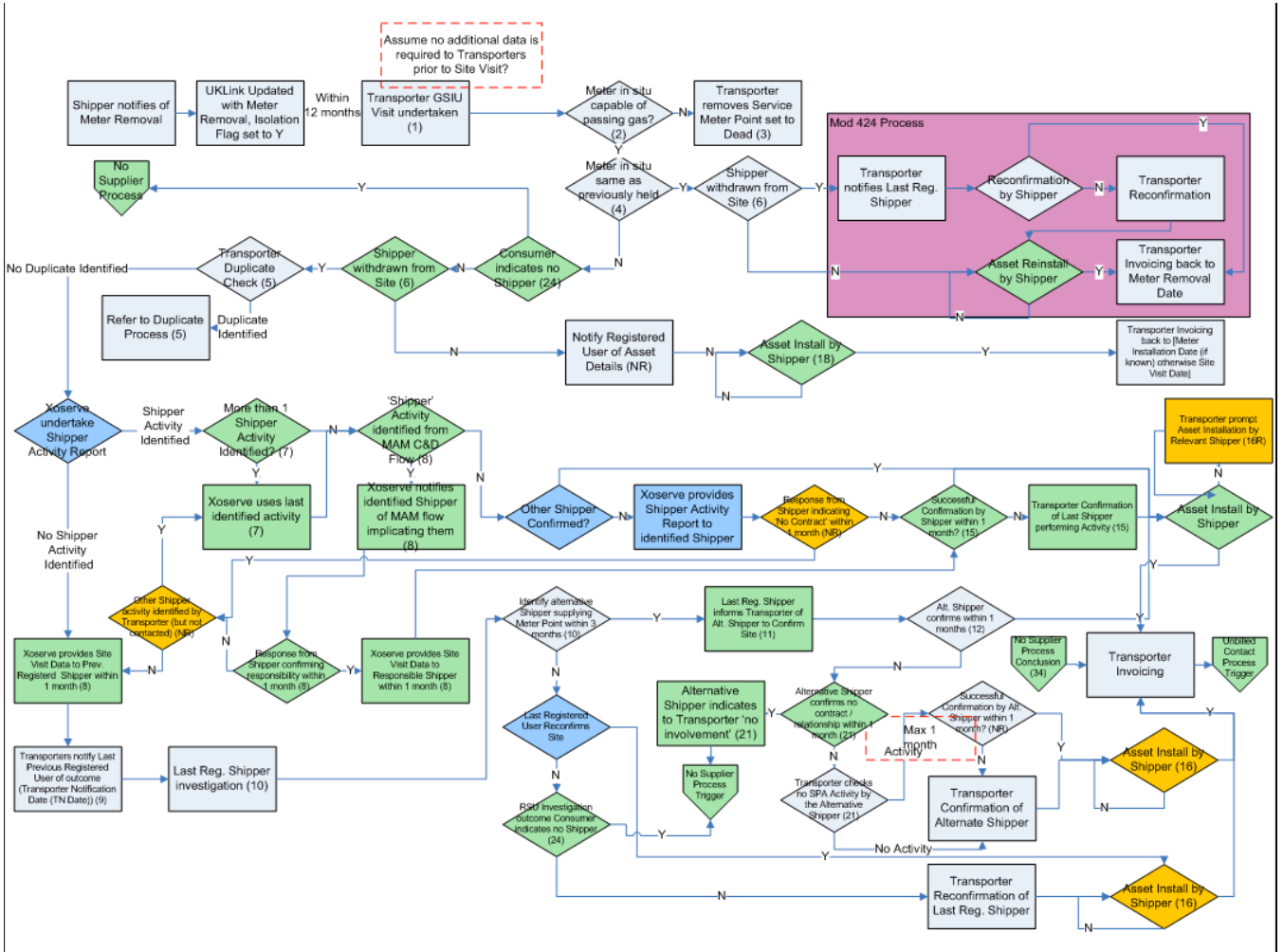
8 Recommendation

The Workgroup invites the Panel to:

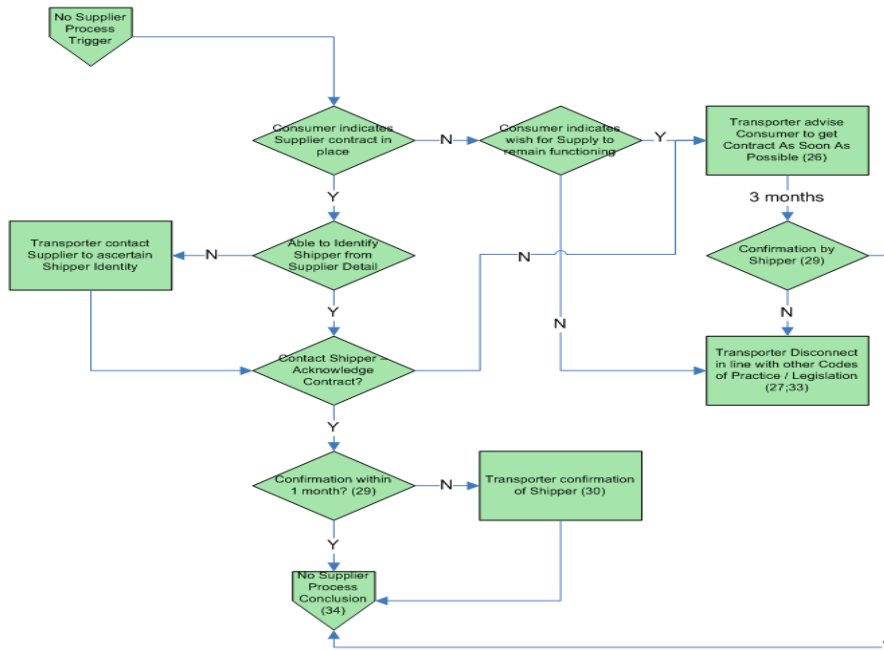
- AGREE that this modification should be submitted for consultation.

The Workgroup was unable to reach a consensus that the relevant objectives were furthered by this modification. However, participants agreed the modification was sufficiently developed to proceed to consultation.

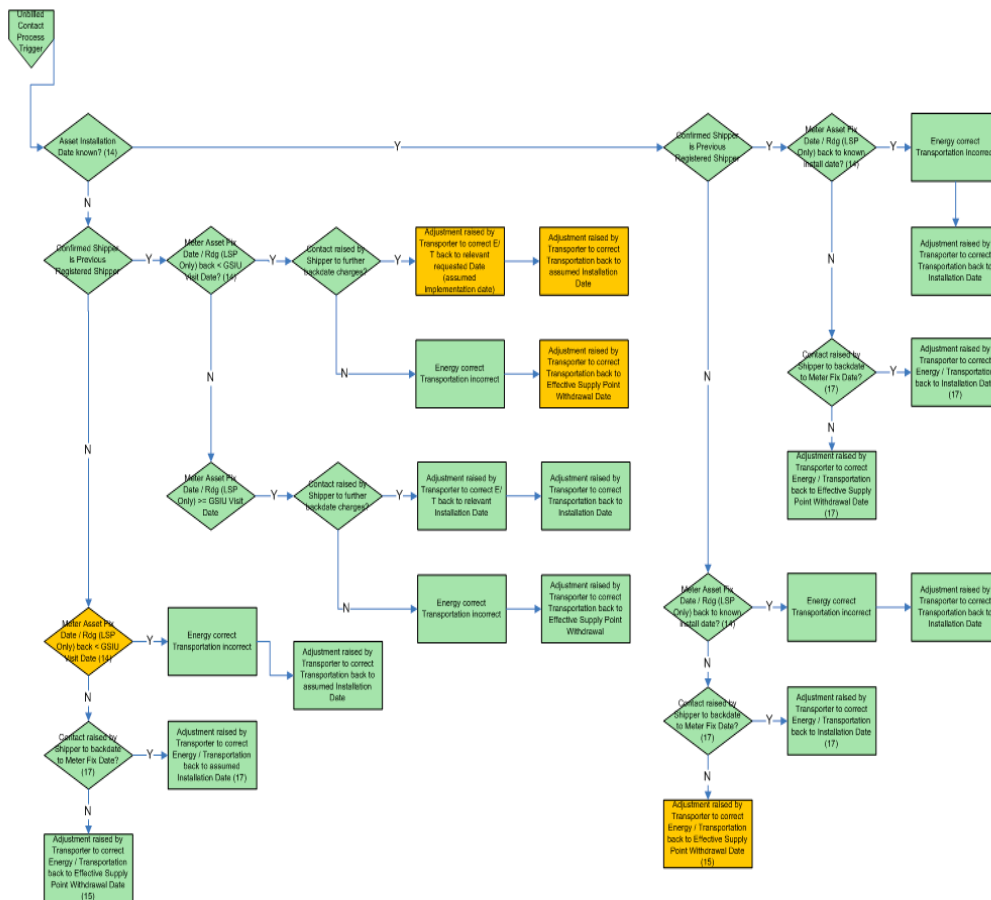
Re-establishment of Supply Meter Points process flow



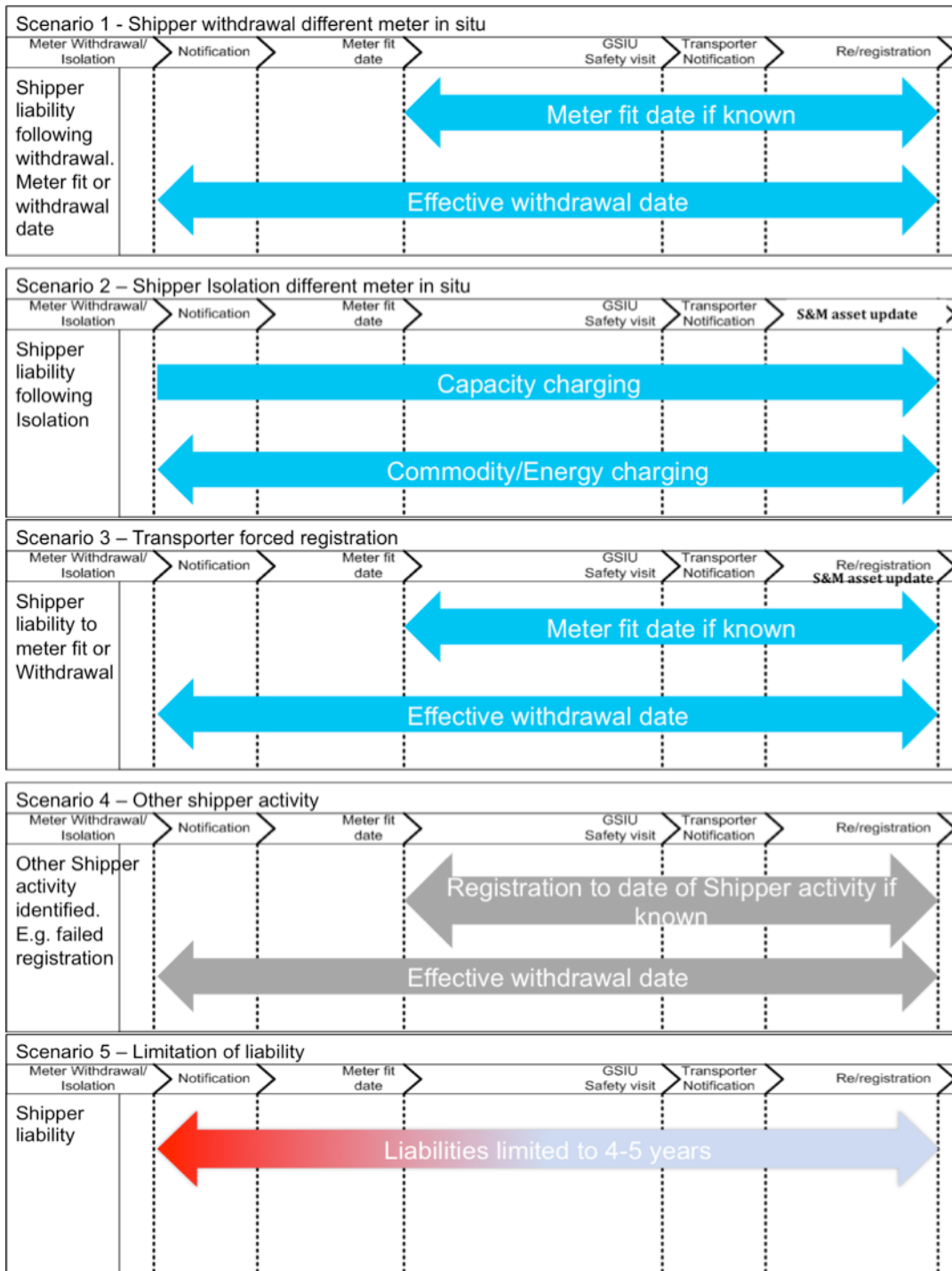
No Supplier Process Trigger



Unbilled Contact Process Trigger



Shipper Liabilities



0425
Workgroup Report

04 February 2013

Version 1.0

Page 22 of 22

© 2013 all rights reserved