

Stage 02: Workgroup Report

0469S: Transporter Gas Safety Visit Reporting

Improve transparency of the GSUI Safety Visit process, which is carried out by the Transporters on behalf of Shipper organisations.



The Workgroup recommends that this self-governance modification should now proceed to consultation.



High Impact: -



Medium Impact: Transporters and Shippers



Low Impact: -

At what stage is this document in the process?



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About this document:

This report will be presented to the Panel on 17 April 2014.

The Panel will consider whether the modification should proceed to consultation or be returned to the Workgroup for further assessment.



Any questions?

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1 Summary

Is this a Self-Governance Modification?

The Modification Panel determined that this is a self-governance modification.

Why Change?

Shipperless and Unregistered sites are a major cause of Unidentified Gas and imbalance cost to Shippers and result in £millions of Unidentified Gas cost being smeared to Shippers. Following a meter removal a Supplier is obligated to make the gas service safe. The action of making the service safe mitigates the risk of a site using Unidentified Gas.

Because Suppliers do not have rights of access to the property their obligation is discharged to Transporters who conduct a gas safety visit on behalf of the Supplier and where relevant they remove the service. Following the Transporter's gas safety visit, currently there is no Gas Safety Visit reporting. Thus the status of site post visit is unknown.

Solution

The solution is for the Transporter to report on its Gas Safety Visit activity to the industry, via a high level performance report and to individual shippers via a lower level MPRN report.

Relevant Objectives

This modification proposal would facilitate Relevant Objectives -

- c) Efficient discharge of the licensee's obligations.
- 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.

The impact of this proposal is to promote appropriate cost targeting on individual Users through reducing the number of Shipperless and Unregistered sites and the volume of unidentified gas. Such a mechanism must therefore be considered to facilitate competition in the gas market.

Implementation

As this is a self-governance modification, implementation could be sixteen business days after a Modification Panel decision to implement.

No implementation timescales are proposed, although it will be desirable if the proposal is tied to start of the gas year, which is 01 October 2014.

2 Why Change?

Overview

Within the gas industry there are various proposals to tackle the issue of Shipperless and Unregistered sites including both Modifications and changes to the MPRN creation process. However it is believed there is further work that can provide greater transparency of industry process and the outcomes of Gas Safety Visits. Following an Effective Supply Point Withdrawal Shipperless sites can be first identified by a Transporter when completing a Gas Safety Visit, but no reporting exists to confirm the volume of sites that are made safe, disconnected or meter found on site. It is believed this transparency is important, as Shipperless and Unregistered sites can result in Unidentified Gas costs being applied to the wrong Shipper party, which can be detrimental to competition.

Background

Following a meter removal, under the Gas Installation and Use Regulation¹ the Supplier obligation is to remove the service 12 months afterwards.

16. (3) “(b) where the meter has not been re-installed or replaced by another meter before the expiry of the period of 12 months beginning with the date of removal of the meter and there is no such service valve as is mentioned in sub-paragraph (a)(i) above, ensure that the service pipe or service pipework for those premises is disconnected as near as is reasonably practicable to the main or storage vessel and that any part of the pipe or pipework which is not removed is sealed at both ends with the appropriate fitting”.

Under the current arrangements following a meter removal the Shipper or Supplier has no rights of access to the property to monitor or access the property to ensure the service is not in use. Suppliers discharge their obligation to Transporters who have access to the property and who complete the Gas Safety Visit 12 months after the date of the meter removal.

Sometimes during the Transporter visit, it is identified that a meter remains connected to the network capable of flowing gas. This could be the result of a Shipper not performing a process correctly, or it may be the result of a consumer taking an action to connect a meter. In these circumstances the service is not removed and the site is added to the Xoserve Shipperless report.

In summary it is believed it would benefit the industry to better understand:

1. the volumes of Shipperless sites
2. the status of sites following the Transporter visit.

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¹ Gas Installation and Use Regulation <http://www.legislation.gov.uk/ukxi/1998/2451/made>

3 Solution

The solution is for the Transporter to report on its Gas Safety Visit activity to the industry, via a high level performance report and to individual shippers via a lower level MPRN report.

The industry reporting, by Network area, broken down by physical visit or remote investigation and by AQ volume should include the following data items –

Report Inputs

- Number carried over from previous month
- Number of new MPRNs requiring GSUI activity.

Report Outputs

- Number where the same meter identified, in situ capable of flowing gas
- Number where a different meter identified, in situ capable of flowing gas
- Number where services permanently suspended
- Number where service temporarily suspended
- Number where action not taken.

The lower level reporting should include the above data items and issue the data to the currently registered or previously registered shippers, by Shipper ID, by MPRN.

Report data items	Explanation
Report inputs	
Number carried over from previous month	Number of MPRNs where GSUI activity did not take place within month and therefore carried forward
Total Number of MPRNs requiring a GSUI activity	Total number of sites requiring a Gas Safety Visit - 12 months after meter removal
Report Outputs	
Number where the same meter identified, in situ capable of flowing gas	Same meter* previously registered on industry system identified as in situ. (Mod 424)
Number where a different meter identified, in situ capable of flowing gas	Different meter* to that previously registered identified in situ. (Mod 425)
Number where services permanently suspended	Service pipe removed
Number where service temporarily suspended	Service pipe remains in place, but service pipe is capped/sealed - no further action taken by the Transporter
Number where action not taken	No action taken by the Transporter to remove the service or identify the status of the MPRN

User Pays
Classification of the modification as User Pays, or not, and the justification for such classification.
<i>No User Pays Services have been identified</i>
Identification of Users of the service, the proposed split of the recovery between Gas Transporters and Users for User Pays costs and the justification for such view.
<i>No Split</i>
Proposed charge(s) for application of User Pays charges to Shippers.
<i>N/A</i>
Proposed charge for inclusion in the Agency Charging Statement (ACS) – to be completed upon receipt of a cost estimate from Xoserve.
<i>N/A</i>

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.	
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.	
c) Efficient discharge of the licensee's obligations.	Positive
d) Securing of effective competition: (i) between relevant shippers; (ii) between relevant suppliers; and/or (iii) between DN operators (who have entered into transportation arrangements with other relevant gas transporters) and relevant shippers.	Positive
e) Provision of reasonable economic incentives for relevant suppliers to secure that the domestic customer supply security standards... are satisfied as respects the availability of gas to their domestic customers.	
f) Promotion of efficiency in the implementation and administration of the Code.	

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.	
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Relevant Objective (c)

Shippers do not have rights of access to a customer property. This Licence Obligation is discharged by Suppliers to the Transporters who have rights of access. This modification will improve industry's visibility that the obligation is being performed appropriately by the Transporter and the Supplier Licence Condition is being met.

Relevant Objective (d)

Gas Safety Visits identify where following an effective Supply Meter Point withdrawal a meter is either removed, the same meter is in place, a different meter is in place, or the service is left in place. Currently reporting is provided regarding where the same meter or a new meter is found in situ, but no information is available regarding the Transporter performance.

If a spotlight is shone on an area it is believed this will better improve performance and improve effective completion between Transporter parties. It is also expected that appropriate management of services where a meter is removed, should reduce the potential root cause of Unidentified Gas and therefore this modification will improve cost allocation of Transportation and Energy costs.

5 Implementation

As self-governance procedures are proposed, implementation could be sixteen business days after a Modification Panel decision to implement.

No implementation timescales are proposed, although it will be desirable if the proposal is tied to start of the gas year which is 01 October 2014.

6 Legal Text

Text

To be confirmed.

7 Recommendation

The Workgroup invites the Panel to:

- AGREE that this self-governance modification should be submitted for consultation.