

Stage 02: Workgroup Report

0487S:

Introduction of an Advanced Meter Indicator and Advanced Meter Reader (AMR) Service Provider Identifier in advance of Project Nexus Go Live

At what stage is this document in the process?



With the continuing rollout of Advanced Metering across the Non Domestic market and the extension till 2016 of the ability to deploy Advanced Metering, it is important to be able to identify the presence of Advanced Metering at customer sites. This is particularly important during Change of Supplier (CoS) events and in particular with proposals to optimise the CoS process. Currently central systems do not hold and identify Advanced Meters and associated Advanced Meter Reading Service Providers (ASP's). This proposal looks to introduce these details within the central system and place an obligation on Shippers to populate and maintain the relevant information



The Workgroup recommends that this Self-Governance modification should be issued to consultation.



High Impact:



Medium Impact:



Low Impact: Shippers and Transporters

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12 September 2014

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About this document:

This report will be presented to the Panel on **[18 September 2014]**.

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



3 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 because it is unlikely to have material effect on competition as this modification is only proposing to provide additional information at a Change of Supplier (CoS) event to the benefit of those involved.

Why Change?

Currently central systems do not identify if an in situ meter is operating in Advanced Mode and if so who the current Advanced Meter Reading Service Provider (ASP) is. This lack of information creates an issue on CoS, with the new Supplier unable to easily identify if the Meter is advanced and who the relevant service provider is.

Recognising that hundreds of thousands of Advanced Meter Reading installations are already in situ it is critical that a means of tracking meters operating in advanced mode is introduced as soon as reasonably practicable. However, this must be balanced against the currently scheduled switch over to Nexus and the short term nature of introducing a solution in pre Nexus Systems. Therefore this modification introduces a short term solution for the pre Nexus environment.

Solution

Prior to Nexus implementation (currently scheduled for October 2015) it is proposed to introduce an ASP Identifier (ASP ID) within central systems.

It is also proposed that an obligation is placed on Shippers, where relevant, to populate and maintain the ASP ID. The Shipper shall be responsible for updating the ASP ID as soon as reasonably practicable once it becomes aware of the existence of an ASP associated with the MPRN.

For avoidance of doubt should multiple ASPs exist then it is the ASP providing services to the Supplier that takes primacy.

Relevant Objectives

Pre Nexus implementation, holding the relevant information in central systems will improve the CoS process by ensuring the new Shipper has ready access to the current ASP ID. This enables the new Shipper and Supplier to efficiently make the necessary arrangements in relation to the site, and therefore further relevant objective d) by securing effective competition between relevant shippers.

Implementation

No implementation timescales are proposed. However, it would be desirable if implementation was as soon as reasonably practicable to support proposed improvements in CoS process.

Does this modification affect the Nexus delivery, if so, how?

Concisely explain how the change proposed will affect Nexus delivery.

Insert text here

2 Why Change?

Currently central systems do not identify if the in situ meter is operating in Advanced Mode and if so who the current Advanced Meter Reading Service Provider (ASP) is. This lack of information creates inefficiencies on Change of Supplier (CoS) with the new Shipper **and** Supplier unable to efficiently identify if the Meter is currently advanced and who the current ASP is.

Scenario

In the circumstance that Shipper B transfers a Meter Point into their portfolio from Shipper A. Shipper B has no way of identifying whether Advanced Meter equipment is present at site upon receipt of the Meter Information provided to the incoming Shipper by the Transporter on the Meter Reading Information (MRI) File as this is not held on Transporter System so this cannot be provided.

Shipper B may then contract an ASP to install an Advance Meter to their newly registered Meter Point. The ASP visits site to report that an Advanced Meter has already been installed by another ASP on behalf of Shipper A, and therefore Shipper B has incurred the costs associated with an ultimately aborted visit.

This lack of centralised information also inhibits the ability to appoint service providers in a timely and efficient manner and thus the introduction of this information will support and complement improvements being sought through Change of Supplier process reviews and associated modifications.

Recognising that hundreds of thousands of Advanced Meter Reading installations are already in situ it is critical that a means of tracking meters operating in advanced mode is implemented as soon as reasonably practicable. However, this must **be** balanced against the currently scheduled switch over to Nexus and the short term nature of introducing a solution in pre Nexus Systems. Therefore this solution introduces a short term solution for the pre Nexus environment with a more enduring solution proposed for the post Nexus environment.

Prior to Nexus implementation (currently scheduled for October 2015) it is proposed **that** to introduce an Advanced Meter Reader Service Provider (ASP) Identifier (ASP ID) within central systems.

3 Solution

Obligation on Shippers (solution)

It is proposed that an obligation is placed on Shippers, where relevant, to populate and maintain the ASP ID. The Shipper shall be responsible for updating the ASP ID as soon as reasonably practicable once it becomes aware of the existence of an ASP associated with the MPRN. The triggers that are currently identified are as follows: -

1. Following the initial appointment and any subsequent appointment by the Supplier of an Advanced Meter Reader Service Provider (ASP)
2. Where the Supplier is aware of an Advanced Meter being in-situ and that an Advanced Meter Reader Service Provider exists who is not appointed by the Supplier e.g. if the consumer has arrangements with an Advanced Meter Reader Service Provider

For avoidance of doubt should multiple ASP's exist then it is the ASP providing services to the Supplier that takes primacy.

User Pays

Classification of the modification as User Pays, or not, and the justification for such classification.

This is a User Pays modification as it proposes to change or amend central systems.

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.

It is proposed that charging would utilise the Market Sector Flag to determine the allocation of costs. Those MPRNs populated with an "I" representing non domestic sites would be used to determine the population used to determine the Shipper's relevant market share and thus the relevant share of the costs based on that market share as at 1st October [2014]. Is this 100% Users ?

Proposed charge(s) for application of User Pays charges to Shippers.

To be confirmed – insert HLC estimate info. [Option A, circa £20k - £100k.]

Proposed charge for inclusion in the Agency Charging Statement (ACS) – to be completed upon receipt of a cost estimate from Xoserve.

To be provided in due course.

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.	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.	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

Centralising the relevant information will improve the CoS process by ensuring the new Shipper **and** Supplier has ready access to the ASP ID. This enables the new Shipper **and** Supplier to efficiently make the necessary arrangements in relation to the site and will therefore further relevant object d) securing of effective competition by the reduction in abortive visit costs.

5 Implementation

As self-governance procedures are proposed, implementation could be sixteen business days after a Modification Panel decision to implement, **subject to no Appeal being raised**. However, it would be desirable if this modification were implemented as soon as reasonably practicable to allow as much time as possible for the benefits to be gained prior to the implementation of Project Nexus.

6 Nexus Impacts

Does this modification affect the Nexus delivery, if so, how?

*Concisely explain **how** the change proposed will affect Nexus delivery. If none, explain the rationale and delete the rest of this section.*

Insert Text Here

Pre Nexus Implementation

Is this modification to be implemented prior to Project Nexus?

If yes, the proposer should provide the likely benefits for a pre Nexus implementation and an assessment of the development timescales. In addition, a view from Xoserve is required to consider if there would be an impact on the delivery of any in flight or approved modifications that are, or are proposed, to be implemented prior to Nexus.

Insert text here

Nexus Implementation

Is this modification proposing to add to or amend existing Nexus requirements prior to or at the time Nexus is implemented?

If yes, the proposer should indicate the reasons why and whether the changes are considered material. A view from Xoserve should be sought as to the likely impacts/costs on Nexus delivery and if consideration should be given to post-Nexus delivery. In addition, where the system delivery for Nexus is coupled to the European changes any potential impacts should be explained.

Insert text here

Post Nexus Implementation

Is implementation proposed after Nexus delivery?

If yes, the proposer should indicate an implementation date and the reasons why, focusing on the impacts on Nexus.

Insert text here

7 Legal Text

Text

The following Text has been prepared by Northern Gas Networks at the request of Panel, and no issues were raised by the Workgroup regarding its content.

Commentary

The standalone obligation has been translated into this particular section where there are other obligations about provision of special meter information as it seems an appropriate place to put it in. The obligation has been described in the terms described in the modification on the assumption that the central systems referred to are UK Link and also that as no specific definition of Advanced Meter is provided on the assumption that the only comparable term is as per the one set out in the Supplier Licence. **If it is intended to capture smart meters then the existing definition could be used and added as a line item in Annex M1.**

TRANSPORTATION PRINCIPAL DOCUMENT

SECTION M – SUPPLY POINT METERING

Add new paragraph M.2.1.14

2.1.14 Where the User appoints a person to be the provider of an Advanced Meter at a Supply Meter Point or becomes aware of the existence of the provider of an Advanced Meter at a Supply Meter Point that it has not appointed then the User shall as soon as reasonably practicable provide and update the information within UK Link Systems. In this paragraph Advanced Meter shall have the same construction as that set out in Standard Condition 12.22 of the Gas Suppliers Licence published by Ofgem.

8 Recommendation

The Workgroup acknowledge that at some other industry fora (i.e. UKLC) the following questions have been raised:

- whether self-governance status for the modification remains appropriate;
- whether any changes to the Shipper/Supplier Licences are required;
- how dual governance interaction with SPAA is expected to impact upon the various implementation timescales (modification, system changes and SPAA etc.), and finally
- the role of the SMSO as AMR provider.

The Workgroup invites the Panel to:

- AGREE that this Self-Governance modification should be issued to consultation.
- Request that the Panel seeks industry views on self-governance status and any of the above, if deemed to be valid.

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