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# Opening Class 1 Reads to Competition

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# ROM

- **Change Costs (implementation):**
- An enduring solution will cost at least **£125,000**, but probably not more than **£226,000** to implement.
- Additionally costs to support the Transition phase will cost at least £250,000 but probably no more that £377,000
- Total £375k to £603k
- Note that the cost of Transition is about 2/3rds of total
- There are about 427 Class 1 Supply Meter Points so cost for each Class 1 SMP range from £880 to £1410

## Actions

- Xoserve to get further detail on costs of transition
- DNs to get position of service providers on providing equivalent service to Shippers

# Xoserve update

## Current service

- The current service which costs considerably more than the commercial read service delivers very high / >98% D+1 read performance driven by liability regime on DNs
- To deliver this the service includes:
  - Active procedures to dealing with failed reads including actively seeking to re-contact the logger
  - Validating reads & taking follow up action if read fails validation
  - Monitoring zero consumption
  - Identifying corrector or meter fault and taking appropriate action
  - Annual resynchronisation site visits can be difficult to get access
  - Raising site visits and monitoring progress
  - Managing new installation, replacements and removals including gaining site access

## NGM position

- NGM's service offering for DM is specifically configured to undertake the service (with a direct interface into Xoserve ) for the WWU, NGN & Cadent only, across 300 sites
- NGM are not in a position to provide a commercially variable offering for this service, via a direct relationship with the Shippers.
- However, they do have a 'Commercial AMR' service offering which many shippers will be aware of and use which may help facilitate their needs, but must be recognised that this is not a direct comparison with the DM service

## Impact of NGM position on Shippers

- Shippers may need to manage Class 1 reads in house

# Options

1. Withdraw 0647
2. Continue with 0647 as it stands
3. CDSP provides central service to Transporters
4. CDSP provides central service to Shippers



## 1 Withdraw 0647

- Does not address issue of remaining meter reading services still provided by Transporter over 15 years after meter reading was open to competition

## 2 Continue with 0647 as it stands

- If Shippers have to provide Class 1 service in house then might there be an impact on competition?
- Cost of implementation
- Risk of impact on UIG

## 3 CDSP provides central service to Transporters

- Does not address issue of Transporters still providing service
- DNs currently use more than one service provider
- Would mean that IGTs could contract directly and would not use DNs

## 4 CDSP provides central service to Shippers

- Makes Shippers responsible for Class 1 reads
- Gives Shippers collective control over service but does not open service to competition
- Implementation risk could be lower than with 0647 as it stands

## Next steps

- Thoughts welcomed and I am happy to have discussions with parties outside workgroup