iGT UNC / iGT INC Draft Modification Report

Date	9th January 2013
Reference	iGT050
Title	iGT & Shipper Metering Communications Ancillary Document
Proposer	Colette Baldwin E.ON
iGT UNC / Pipeline Operator	iGT UNC
Modification Proposal Dates	*Circulation: 23/11/2012* *Response: 14/12/2012* *Circulation of DMR: 09/01/2013* *Response to DMR: 30/01/2013* *DFMR published: 20/02/2013* *DFMR considered at Panel: 20/03/2013* *FMR sent to authority: dd/mm/yyyy* *Circulate Authority's determination: dd/mm/yyyy* *Suggested Implementation date: dd/mm/yyyy*

PART A - MODIFICATION PROPOSAL

Urgency

Non-Urgent

Background

The majority of meters on the Pipeline Operator's networks continue to be provided by the Pipeline Operator themselves and because of this, full metering competition and consequently RGMA has not been rolled out by the Pipeline Operators.

Gas suppliers responding to the needs of their customers have been installing pre-payment meters to Pipeline Operator sites to comply with their licence obligations and have no agreed common mechanism for the Pipeline User to update the Pipeline Operator with the accurate metering information. It is a UNC requirement that when Pipeline Users know the metering information to be inaccurate that they notify the Pipeline Operator and that they will update their Supply Point Register with the correct details. (See extracts of UNC below).

Section D: Supply Meter Installation - 2 Supply Meter and other Equipment

2.7 *Whenever a Supply Meter Installation is replaced or modified (other than by the Pipeline Operator pursuant to Clause 3) the Registered User shall provide to the Pipeline Operator such information concerning the replacement or modification, within such period, as the Pipeline Operator may reasonably prescribe.*

Section E: Metering Reading - Section2: Meter Information

2.11 *In order to ensure that Meter Information is as accurate as practicable, where at any time a Registered User becomes aware that there are material changes to the Meter information it will:*

(a) validate this and use its best endeavours to submit a Meter Information Update Notification to the Pipeline Operator within 30 Business Days from the Day it first becomes aware of such change; or
(b) as soon as reasonably practicable notify the Pipeline Operator where the Registered User is unable to so comply together with the reasons for such non-compliance; and

(c) in accordance with Part CI 2.8(b) use reasonable endeavours to secure that it becomes aware of any respect in which Meter Information provided to it is or becomes incorrect or out of date, including giving appropriate instructions to the Meter Reader for the time being.

***2.16** Upon receipt of a change to Meter Information from the Registered User, or the Proposing User in accordance with Clause 2.12, the Pipeline Operator will within 2 Business Days of such receipt revise the details held in the Supply Point Register as specified in the Meter Information Notification. The Pipeline Operator will ensure the Supply Point Register reflects the Meter Information as supplied by the Registered User or Proposing User.*

The Proposal

The proposal introduces the "Shipper to iGT" and "iGT to Shipper" file formats and operational guidance notes into the Ancillary Documents for use by Pipeline Operators and Pipeline Users where the Pipeline User installs or becomes aware of the installation of 3rd Party metering equipment on the Pipeline Operator's networks and where the Gas Act Owner is to be changed from that of the Transporter to that of the Supplier or to that of the Customer.

How will the proposal operate?

Pipeline Operators and Pipeline Users will exchange information to update meter information using these file formats where a change of meter has resulted or will result in the information in the Supply Point Register being incorrect. The file formats and timescales for processing information are based on the requirements of the RGMA baseline held in the SPAA.

Proposer's suggested timescale for implementation

6 Months from Approval of the modification by the Authority.

Proposer's view on the Section(s) of the Code Concerned

Sections D 2.7 and Section E2.11 and 2.16

Proposer's views on how the proposal better facilitates the relevant objectives

Relevant Objective	*Yes/No*
a. the efficient and economic operation of the pipe-line system to which this licence relates	
b. so far as is consistent with sub-paragraph (a), the coordinated, efficient and economic operation of the pipe-line system of one or more other relevant gas transporters	*Yes*
c. so far as is consistent with sub-paragraphs (a) and (b), the efficient discharge of the licensee's obligations under this licence	Yes
d. so far as is consistent with sub-paragraphs (a) to (c) the securing of effective competition between relevant shippers and between relevant suppliers	
e. so far as is consistent with sub-paragraphs (a) to (d), the 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. so far as is consistent with sub-paragraphs (a) to (e), the promotion of efficiency in the implementation and administration of the network code and/or the uniform network code referred to in paragraphs 2 and 5 respectively of this condition	Yes
g. so far as is consistent with sub paragraphs (a) to (f) the compliance with the	

Regulation* and any relevant binding decisions of the European Commission and/or the Agency for the Co-operation of Energy Regulators	

*Regulation 2009/715/EC of the European Parliament and of the Council of 13 July 2009

Objective C - Pipeline Operators are required under their Transporter Licence Conditions to hold information in respect of supply points and for that information to be accurate. This information includes the metering installed at the premises that are connected to their pipeline system. By creating standard file formats and business rules for the provision and updating of information to the Pipeline Operator to be held in the Supply Point Information Service (Register), this modification will better facilitate this relevant objective.

Objective D – Shippers and Suppliers will have confidence that the metering information they are provided with on a change of supply is accurate and by ensuring there is a standard process and timeframes for updating information, customers accounts will be set up correctly and so suppliers will not have to face costs associated with un-billing, correcting data and then re-billing. Customers will have confidence in the accuracy of their data and this will help improve their confidence in the change of supply processes.

Objective F – By having a single process and clear rules/formats and consistent timescales Pipeline Operators and Pipeline Users will be able to automate these processes and avoid the less efficient and more expensive manual processing currently being used.

Proposer's view on any Likely impact on environment?

None

PART B - CONSULTATIONS SUMMARY

Information provided by the representative

An alternative modification proposal (iGT050A) was raised to this proposal. This is the subject of a separate Draft Modification Report but in submitting consultation responses to iGT050, respondents also referenced iGT050A. For the purposes of the iGT UNC Modification process, both proposals will be progressed together and any responses to this Draft Modification Report should also recognise the existence of the alternative proposal.

Responses to Modification Proposal

10 responses were received to the Modification Proposal and can be viewed here.

Respondent	Response to iGT050
GTC	Do not support
E.ON	Support
SSE Pipelines	Do not support
RWE npower	Support
Scottish Power	Support
EDF Energy	Support
British Gas	Support
Independent Pipelines Limited	Do not support
ESP	Do not support
SSE	Do not support (prefer 50A)

Facilitation of the relevant objectives

How this proposal will, if implemented, better facilitate the "code relevant objectives", as defined in Standard Condition 9 of the Gas Transporters Licence.

Summary of Responses to the Modification Proposal

Relevant Objective	*Relevant*
a. the efficient and economic operation of the pipe-line system to which this licence relates	*1*
b. so far as is consistent with sub-paragraph (a), the coordinated, efficient and economic operation of the pipe-line system of one or more other relevant gas transporters	*2*
c. so far as is consistent with sub-paragraphs (a) and (b), the efficient discharge of the licensee's obligations under this licence	*10*
d. so far as is consistent with sub-paragraphs (a) to (c) the securing of effective competition between relevant shippers and between relevant suppliers	*10*
e. so far as is consistent with sub-paragraphs (a) to (d), the 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	*1*
f. so far as is consistent with sub-paragraphs (a) to (e), the promotion of efficiency in the implementation and administration of the network code and/or the uniform network code referred to in paragraphs 2 and 5 respectively of this condition	*8*
g. so far as is consistent with sub-paragraphs (a) to (f), the 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	

* Regulation 2009/715/EC of the European Parliament and of the Council of 13 July 2009

Any additional comments:

The majority of respondents highlighted the relevance of objectives c, d and f, with fewer respondents highlighting the relevance of objectives a, b and e.

Objective c:
Respondents noted that by standardising file formats and business rules for the communication of information to the Pipeline Operator to be held in the Supply Point Information Service (Register), this modification will better facilitate this relevant objective.

Objective d:
Respondents noted that by having a standard file format and defined process, Shippers should find it easier to provide accurate meter information to the Gas Transporter. Furthermore Shippers and Suppliers will have confidence that the metering information they are provided with on a change of supply is accurate and by ensuring there is a standard process and timeframes for updating information, customers' accounts will be set up correctly and so suppliers will not have to face costs associated with un-billing, correcting data and then re-billing. Customers will have confidence in the accuracy of their data and this will help improve their confidence in the change of supply processes.

Objective f:
Respondents noted that by having a single process and clear rules/formats and consistent timescales Pipeline Operators and Pipeline Users will be able to automate these processes across all the iGTs and avoid the less efficient and more expensive manual processing currently being used.

The Representative observed that there seemed to be a polarisation of views between the iGT and Shipper communities.

iGTs
A number of respondents considered the Modification to be more extensive than necessary at this time, specifically noting the potential future system changes in relation to smart metering and single service provision (SSP). In relation to SSP it was noted that iGT Agency Services would carry out certain SPA activities on behalf of the iGTs, including full RGMA communications, thus rendering the benefits related to such a comprehensive change as iGT050 short-lived, with SSP expected to be implemented in 2015. As such there was a desire to minimise further stranded costs on operational systems up to this point. The iGT050 solution would be counter to Objective a thus the alternative proposal (iGT050A) should be favoured ahead of this solution.

Concerns were raised that the validation within iGT050 is incomplete and may lead to parties building their systems to varying specifications, similarly to the suite of Meter Read modifications directed to be implemented in February 2010, where, still, not all parties have implemented the full proposals.

In general iGTs considered that iGT050 goes above and beyond what is required to enable 3rd party meter information to be communicated to the GT in a standard format. The introduction of 8 new file formats and associated processes is seen as being too costly and lengthy to implement. In addition, it will require a significant amount of industry testing prior to going live.

iGTs generally do not support this proposal.

Shippers
Reference was made to the work that was carried out over an 18 month period in the Operational Metering Communication Group and that the modification and associated Ancillary document was a product of this group. Respondents noted that this proposal will introduce a consistent approach to updating iGTs operating in their role as Pipeline Operator of changes to assets on their network. It will also more closely align with the existing processes already employed for updating the Large Transporters through the use of RGMA flows. Respondents noted that the proposal will provide shippers/suppliers with more confidence that the metering information provided by an iGT on change of supply is accurate. This reduces the time and cost of investigating cases where data is missing or incorrect, and the subsequent correction of billing, etc.

One Shipper party cited their internal introduction of a manual means of providing data to the Pipeline Operators akin to the method proposed in the alternative Modification Proposal iGT050A, stating that when dealing with six different Pipeline Operators this temporary arrangement is proving to be extremely manually intensive, inefficient and costly. This Shipper advised that if implemented, iGT050 will introduce a single agreed process that can be applied across all Pipeline Operators and Users, thus delivering a

robust, consistent framework.

Respondents noted that their preference was largely for iGTs to introduce arrangements that are fully compliant with the RGMA Baseline (in their role as GT and MAM) but recognise this (proposal) is an improvement on the current position that strikes the right balance. Furthermore it was noted that iGT050 removes the requirement to process the information manually resulting in costs savings (estimated as 1 – 2 FTEs by one supplier).

It was noted that without the introduction of iGT050 the existing temporary arrangements or those recommended under iGT050A, will become unwieldy and have a detrimental impact on both the ability of the Pipeline Users to meet their obligations and the quality of data held in the Pipeline Operators systems. Another party also noted a failing in the iGT050A Modification in that it does not appear to be possible to differentiate between genuine work booked by the Shipper and simply finding that there is a different meter on site, which impacts compliance with C&D Regulations.

It was noted that discussions on Mod iGT039 (Single Service Provision) are still ongoing and as with any modification proposal, there is no guarantee that it will be directed for implementation. With the roll out of Smart Metering drawing ever closer, respondents indicated an inherent risk in relying wholly on acceptance of iGT039, particularly considering that there have been other proposals made for iGT single service provision in the past that have ultimately proven unsuccessful. Additionally no conflict was seen between iGT050 and iGT039, rather implementation should make moving the metering arrangements across to Xoserve a far more straightforward process than it otherwise would be. Furthermore with meter numbers set to ramp up through various initiatives such as smart it will become necessary to introduce some automation of the production of flows.

One Shipper commented that iGT050, as a manual solution does not offer any benefits over the existing manual solution. So although offering more standard arrangements between MAMs, suppliers, shippers and the GT, standardising the existing arrangements would likely be as beneficial. They also believed that the solution provided by iGT050 only addressed meter exchanges and not new connections and overall could not be cost justified. Further they were concerned that the proposal did not change the existing processes whereby the meter point register was updated directly by the transporter when meters are fitted by the transporter' s MAM rather then indirectly through the shipper/supplier when meters are fitted by a third party MAM.

There was majority Shipper support for iGT050, with one Shipper preferring iGT050A.

Likely impact on environment?

None

Implementation issues including impact on systems

Again the iGT Representative noticed a slight polarisation of views in relation to the impact of this Modification on their systems, with Shippers indicating a relatively smaller impact on their systems than iGTs.

<u>iGTs</u>
Respondents indicated that extensive system changes would be required to include both RGMA and UK Link files and validation. It was noted that systems would need to be built to support the additional files formats and business processes, as current iGT systems would

not be able to support them and they will be too complex and voluminous to process manually on an on-going basis.

iGTs indicated implementation lead times around 18 months from Authority decision.

iGTs further indicated implementation costs of around double the costs involved in the implementation of iGT050A.

Shippers
As the proposed flows for this Modification Proposal are currently used by Shippers, there is expected to be limited system development needed from Shippers. However it was noted that there were still some areas where iGTs and Shippers may need to discuss to ensure a consistent interpretation of the requirements. A suggestion was that this could be done in a pragmatic way following any decision to implement, e.g. through the iGT Shipper workgroup.

Shippers indicated implementation lead times of between 3 months and a year from Authority decision.

Shippers did not indicate the implementation costs linked to this Modification Proposal.

PART C - Proposed Legal Text *(Provided by Transporters)*

PART D: SUPPLY METER INSTALLATION -
1.3 (c) The "iGT-Shipper Operational Metering Communications" is the iGT UNC Ancillary Document so entitled and issued from time to time by the Pipeline Operator and which for the purposes of the Part K 43 only shall be deemed to be incorporated into and form part of the Code.

2 Supply Meter and other Equipment

2.7 Whenever a Supply Meter Installation is replaced or modified (other than by the Pipeline Operator pursuant to Clause 3) the Registered User shall provide to the Pipeline Operator such information concerning the replacement or modification, ~~within such period, as the pipeline operator may reasonably prescribe,~~ using the files and business rules laid down in the iGT UNC Ancillary Document iGT-Shipper Operational Metering Communications.

PART E: METER READING

Section 2: Meter Information

2.11 In order to ensure that Meter Information is as accurate as practicable, where at any time a Registered User becomes aware that there are material changes to the Meter Information it will:

(a) validate this and ~~use its best endeavours to~~ submit ~~a Meter Information Update Notification~~ new metering information in accordance with the iGT UNC Ancillary Document iGT-Shipper Operational Metering Communications to the Pipeline Operator within 30 Business Days from the Day it first becomes aware of such change; or
(b) as soon as reasonably practicable notify the Pipeline Operator where the Registered User is unable to so comply together with the reasons for such non-compliance; and

(c) in accordance with Part CI 2.8(b) use reasonable endeavours to secure that it becomes aware of any respect in which Meter Information provided to it is or becomes incorrect or out of date, including giving appropriate instructions to the Meter Reader for the time being.

2.12 The Pipeline Operator will update the Supply Point Register in accordance with Clause 2.16 where the Pipeline Operator has received ~~a Meter Information Notification~~ revised metering information in accordance with the iGT UNC Ancillary Document IGT-Shipper Operational Metering Communications:

(a) in respect of a Current Supply Point (in accordance with Clauses 2.7 or 2.8) from the Pipeline User that is the Proposing User on or after the Supply Point Confirmation becoming effective;

(b) in respect of a New Supply Point, (in accordance with paragraph 2.8) from the Pipeline User that is the Proposing User on or after the Supply Point Confirmation.

2.16 Upon receipt of a change to Meter Information from the Registered User, or the Proposing User in accordance with Clause 2.12, the Pipeline Operator will within 2 Business Days of such receipt revise the details held in the Supply Point Register as specified in the ~~Meter Information Notification~~ iGT UNC Ancillary Document iGT-Shipper Operational Metering Communications. The Pipeline Operator will ensure the Supply Point Register reflects the Meter Information as supplied by the Registered User or Proposing User.

Appendix K-2
Add the new Ancillary Document
iGT-Shipper Operational Metering Communications

Adobe Acrobat Document

link

PART D – Other Information

Responses to Draft Modification Report

Comments on this DMR are welcomed by 30th January 2013.

In particular, comments are welcomed on:

- How this Modification better facilitates the Relevant Objectives;
- Whether this Modification has any environmental impact;
- Whether this Modification impacts on other Industry Codes or Agreements;
- Whether there are impacts on systems or processes;
- Your view of the proposed implementation timescale;
- Whether the proposed Legal Text fully reflects the intent of this Modification, including the Ancillary Document;
- Any additional information on costs and benefits associated with this proposal;
- Whether the proposal, together with the ancillary document, is fully developed such that all parties are clear on the exact requirements necessary to specify the system changes; and
- Any further information as a result of comments provided by other respondents to the consultation.

Responses should be returned to the iGT UNC Representative, Gemserv Ltd at iGT-UNC@gemserv.com or faxed to 020 7090 1001 by the 30th January 2013.