

Stage 02: Workgroup Report

iGT080:

Mandating iGT use of Supply Meter Points registered on The Pipeline Operators' Agent's Supply Point Register for Shipper Transportation Billing

At what stage is this document in the process?

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



This modification will mandate the use of Supply Meter Points registered on 'the Pipeline Operators' Agency's Supply Point Register to be used by the iGTs for billing Shippers for monthly transportation charges on the iGT networks. Updates to the Supply Meter Point information are provided to the iGTs by the Pipeline Operators' Agent on a daily basis.



Work Group recommends
iGT080 proceeds to consultation



High Impact:
Pipeline Users, Pipeline Operators



Medium Impact:
Insert name(s) of impact



Low Impact:
Insert name(s) of impact

Contents

1. Plain English Summary	3
2. Rationale for Change?	4
3. Solution.....	5
4. Relevant Objectives.....	6
5. Impacts and Costs	7
6. Likely Impact on Consumers	7
7. Likely Impact on Environment	7
8. Implementation	7
9. Legal Text.....	7
10. Recommendation	8

About this document:

The purpose of this report is make a recommendation to the Panel, to be held on 16 December 2015, on whether iGT080 should proceed to consultation and to submit any further recommendations in respect of the assessment of this Modification.



Any questions?

Contact:
Code Administrator



igt-unc@gemserv.com



0207 090 1044

Proposer:
Mark Jones



Mark.Jones@sse.com



02920 249135

Workgroup Chair:
Code Administrator

iGT080

Workgroup Report

09 December 2015

Version 1.0

Page 2 of 8

© 2015 all rights reserved

1. Plain English Summary

Is this a Self-Governance Modification?

The Workgroup was divided on whether the Modification fully met self-governance criteria, although there was a general opinion that it did meet the criteria. The Workgroup requested that the point should be specifically drawn out in the consultation.

If so, will this be progressed as a Fast Track Modification?

The Workgroup agreed that this was not a Fast Track Modification.

Rationale for Change

Currently, the iGTs bill Shippers for transportation charges on Supply Meter Points that are on iGT networks based on their own portfolio information and not those held on The Pipeline Operators' Agent's portfolio. If the Supply Meter Point portfolio is incorrect then due to the fact that the Pipeline Operators' Agent does not currently hold the iGTs' portfolios at Supply Meter Point level, it cannot provide information to the iGTs that would allow them to bill Shippers on The Pipeline Operators' Agent portfolio as the data is not held at the correct level to enable this to happen.

Although this modification will take effect under the new regime of Single Service Provision, when it is recognised that existing data mismatches due to inconsistencies within the current iGT reporting process to Xoserve will be improved, it would be prudent to introduce an approach that will ensure the use of billing data consistent between the iGTs' and Pipeline Operators' Agent's portfolios so that Shippers only have to deal with one portfolio for both energy allocation and transportation billing.

Solution

The proposal is that as The Pipeline Operators' Agent will provide daily portfolio updates to the iGTs after Nexus go live at the necessary Supply Meter Point level; these must be used by the iGTs each month as the basis for Shipper transportation billing. The iGTs must use the Supply Meter Points held by The Pipeline Operators' Agent to bill Shippers for the transportation charges on their own iGT networks. This data will only include the Supply Meter Points that can be billed and no other data items used for charging.

Relevant Objectives

Objective D)

This modification will help secure competition between Shippers as more accurate charges will incentivise Shippers to want to ship gas to iGT sites.

Objective F)

As there will only be one data set used for billing purposes there will not be a requirement for Shippers to have to maintain two lists of Supply Meter Points and having to compare their own data with both The Pipeline Operators' Agent's and the iGTs'.

Implementation

The Workgroup agreed that the Modification should be implemented in line with Project Nexus changes, although noted that the process would only come into force from November 2016 (for the October billing period).

iGT080

Workgroup Report

09 December 2015

Version 1.0

Page 3 of 8

© 2015 all rights reserved

2. Rationale for Change?

Currently, the iGTs bill Shippers for transportation charges on meter points that are on iGT networks based on their own portfolio information. To date, The Pipeline Operators' Agent has not held data at Supply Meter Point level for iGT sites, but at an aggregated logical meter level, and in many cases there are multiple Supply Meter Points at these logical meter points and so there is not a one to one relationship.

Due to the fact that The Pipeline Operators' Agent does not currently hold Supply Meter Point information, it cannot provide information to the iGTs that would allow them to bill Shippers on the Pipeline Operators' Agent portfolio as the data is not held at the correct level to enable this to happen. Furthermore, it has proven impossible to reconcile The Pipeline Operators' Agent's portfolios with the iGTs' portfolios due to the many to one relationship between Supply Meter Points and logical meters. Throughout the time that these arrangements have been in place, since the inception of the iGT market, there have been mismatches in the data, which has led to a number of sites not being held by The Pipeline Operators' Agent and so which have not been charged for gas transportation on the main GTs networks or had any energy allocated to them. This energy has fallen into the RbD pot and been a cause of unidentified gas.

Post Nexus and the implementation of single service provision The Pipeline Operators'

Agent will hold the logical meters at Supply Meter Point level with a one to one relationship for each Supply Meter Point and so there will be able to be a direct comparison with the iGT data sets at the Supply Meter Point level. The Gas Transporters' Agent will also hold physical and other data relevant to the Supply Meter Points. Under single service provision the iGTs expressed their wish to continue to do their own billing for their sites on their transportation networks.

Although this modification will take effect under the new regime of Single Service Provision, when it is recognised that existing data mismatches due to inconsistencies within the current iGT reporting process to Xoserve will be improved, it would be prudent to introduce an approach that will ensure the use of billing data consistent between the iGTs' and Pipeline Operators' Agent's portfolios so that Shippers only have to deal with one portfolio for both energy allocation and transportation billing.

Keeping the current arrangements will lead to an increased workload as Shippers will have to maintain a 3 way Supply Meter Point portfolio comparison - their own, the iGTs' and The Pipeline Operators' Agent's and manage the differences between them. By mandating the iGTs to use The Pipeline Operators' Agent data for billing purposes it will result in gas allocation and settlements being more accurate, shippers having to spend less time and effort in managing and resolving differences and disputes between two portfolios rather than three, and will ultimately lead to less unidentified gas.

During the course of the Workgroup, the Rationale for Change was amended to remove some considerations that Pipeline Operators understood to be incorrect and inflammatory, and potentially misleading with regard to the solution. Following the amendments, the Workgroup agreed the current Rationale for Change to be complete.

3. Solution

The purpose of the modification is to ensure that all iGT supply meter points are set up on The Pipeline Operators' Agent's database and so will help ensure accurate energy allocation to Shippers and minimise unidentified gas. The modification is not seeking to ensure that the iGTs use The Pipeline Operators' Agent's data items for charging information for their transportation charges to Shippers.

The proposal is that as The Pipeline Operators' Agent will provide daily portfolios to the iGTs after Nexus go live that these must be used by the iGTs each month as the basis for Shipper transportation billing. The iGTs must use the Supply Meter Point portfolios held by The Pipeline Operators' Agent to bill Shippers for the transportation charges on their own iGT networks. This data will only include the Supply Meter Points that can be billed. The Pipeline Operators' Agent data the iGTs must use for billing is only the Supply Meter Point. iGTs will not have to bill using any charging data items on The Pipeline Operators' Agent's portfolio and so can bill from their own.

All information required for billing for each Supply Meter point must be populated by the iGTs from their own systems. If a Shipper has not confirmed a Supply Meter point then the iGT can still bill them as the elected Shipper if it is on The Pipeline Operators' Agent's database. The modification will not expose the iGTs to data that has been updated incorrectly outside of their control by Shippers.

This will ensure that there is only one set of Supply Meter Points that is used for billing.

Business Rules

The business rules that this modification is seeking to put in place are as follows:

1. iGTs must use Supply Meter Points that are held on the Pipeline Operators' Agent's Supply Point Register for billing Shippers.
2. The Pipeline Operators' Agent's data the iGTs must use for billing is only the Supply Meter Point. iGTs will not have to bill using any charging data items on the Pipeline Operators' Agent's Supply Point Register and so can bill from their own database.

The Workgroup concurred that the solution was appropriate and complete.

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.	Positive
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

The Workgroup considers that this Modification would facilitate:

Objective D)

This modification will help secure competition between Shippers as more accurate charges will incentivise Shippers to want to ship gas to iGT sites.

Objective F)

As there will only be one data set used for billing purposes there will not be a requirement for Shippers to have to maintain two sets of data and having to compare their own data with both The Pipeline Operators' Agent's and the iGTs'.

5. Impacts and Costs

No significant impacts or costs were identified by the Workgroup.

6. Likely Impact on Consumers

No impact on consumers is anticipated as result of this modification

7. Likely Impact on Environment

No impact on the environment is anticipated as result of this modification.

8. Implementation

This modification is required to be implemented at a date that will mandate the invoices issued for the first month after the Project Nexus go live date to be produced according to these arrangements following the introduction of Single Service Provision. The Workgroup agreed that there was no minimum lead time required for implementation of the change.

9. Legal Text

Suggested legal text is a follows:

Legal Text

Part G

4.9 Where an invoice is issued to a Pipeline User that relates to use of a Pipeline for the period commencing on or after the Project Nexus Implementation Date the iGT UNC Operator must ensure that any Transportation Charges for a Supply Meter Point are only included in the invoice where the Supply Meter Point is recorded in the name of that elected Pipeline User by the Pipeline Operator Agency for the entire period to which the Transportation Charges relate.

iGT080

Workgroup Report

09 December 2015

Version 1.0

Page 7 of 8

© 2015 all rights reserved

4.10 Where a Supply Meter Point is recorded in the name of an elected Pipeline User by the Pipeline Operator Agency for the entire period to which the Transportation Charges relate then that Pipeline User is liable to pay such Transportation Charges.

The Workgroup agreed that the Legal Text was complete and met the requirements of the solution fully.

10. Recommendation

The Workgroup invites the Panel to:

- **CONSIDER** whether iGT080 met the requirements for Self-Governance;
- **AGREE** that iGT080 be submitted for consultation; and
- **AGREE** that Code Administrators should issue iGT080 Draft Modification Report for consultation with a close-out of 13 January 2016 and submit results to the Panel to consider at its meeting on 17 February 2016.