

Modification proposal:	IPL039: Inclusion of MAM and GAO details in TAS flows and IPL040: Inclusion of last meter inspection date to T16 flow		
Decision:	The Authority ¹ directs that these proposals be made. ²		
Target audience:	Independent Pipelines Limited, Independent Gas Transporters (iGTs), Parties to the iGT UNC and other interested parties		
Date of publication:	22 February 2012	Implementation Date:	To be confirmed by IPL

Background to the modification proposal

The majority of meters connected to an independent Gas Transporters ('iGTs') network are provided by the relevant iGT. However, increasing competition in metering means a greater number of meters are being procured directly by the consumer or by their Gas Supplier. Although such meters may be owned by a third party meter provider, the consumer or Gas Supplier that procured the meter will be responsible for its upkeep. These obligations are set out in Schedule 2B of the Gas Act 1986. The iGTs keep a record of whether the consumer or the Gas Supplier is the 'Gas Act Owner' ('GAO') responsible for the upkeep of the meter.

Where the meter is provided to a domestic consumer by either the iGT or the Gas Supplier they must ensure³ that they use a Meter Asset Manager ('MAM') who is approved under the Supply Point Administration Agreement. MAMs carry out meter related services such as the provision, installation and maintenance of meters.

The increase in competitive metering activity on iGT networks has necessitated the implementation of agreed data exchange processes and file formats between the iGT and registered Gas Shipper. In order to address this, the iGTs and Gas Shippers established the Operational Metering Communication Group under the auspices of the iGT UNC. This group was tasked with developing standardised data flows and processes for Gas Shippers to communicate to the relevant iGT a change of MAM, technical details of the meter or a notification of planned work. The group also identified that an incoming Gas Shipper required confirmation of the GAO from the iGT.

The modification proposals

Whilst all of the data referred to above can be communicated by other means, IPL039 proposes to include the MAM and GAO details within the automated flows of the TAS system utilised by Envoy. Envoy⁴ holds both the Independent Pipelines Limited ('IPL') and Quadrant Pipelines Limited ('QPL') licences.

During the development of IPL039 Gas Shippers requested that the 'last inspection date' be added to the data flow. Being out of scope of the original IPL039 proposal, Envoy has accommodated this request within modification proposal IPL040. However, Envoy has suggested that the two proposals should be considered in tandem as this would facilitate

¹ The terms 'the Authority', 'Ofgem' and 'we' are used interchangeably in this document. Ofgem is the Office of the Gas and Electricity Markets Authority.

² This document is notice of the reasons for this decision as required by section 38A of the Gas Act 1986.

³ In accordance with Standard Condition 8: 'Provision and Return of Meters' and Standard Condition 12: 'Matters Relating to Gas Meters' respectively.

⁴ Envoy is a subsidiary of Inexus Group (Holdings) Limited. With effect from 4 February 2013 the management of the Envoy Gas Transportation Networks is undertaken by GTC.

an earlier and more cost efficient implementation of IPL040, should IPL039 also be accepted.

iGT UNC Panel⁵ recommendation

These modifications were considered at the iGT UNC Panel on 16 January 2013 which voted unanimously in favour of implementing both modifications.

The Authority's decision

We have considered the issues raised by the modification proposals, the responses to the industry consultations and the Final Modification Reports⁶ (FMRs) dated 18 January 2013. The Authority has concluded that:

1. implementation of these modification proposals will better facilitate the achievement of the relevant objectives of the IPL Network Code; and
2. directing that these modifications be made is consistent with the Authority's principal objective and statutory duties⁷.

Reasons for the Authority's decision

We note the unanimous support that both IPL039 and IPL040 received from responses to the consultation and from the iGT UNC Panel. We agree with those respondents and the iGT UNC Panel, who suggested that IPL039 would better facilitate relevant objectives (a) and (d). We also agree with respondents and the iGT UNC Panel that IPL040 would better facilitate relevant objective (d), though we additionally consider IPL040 to be beneficial to relevant objectives (a) and (c). Our reasons are set out below.

Relevant objective (a): the efficient and economic operation of the pipe-line system

We are aware that IPL039 and IPL040 do not introduce new data requirements upon the licensee, but seek to codify a more efficient means of transmitting that data. We therefore agree with those respondents who have suggested that including MAM and GAO details within an existing data flow should reduce the administrative burden upon both the licensee and Gas Shippers, who currently have to communicate such data via ad hoc queries. We further consider that this rationale should extend to the last inspection date.

There is no information in the FMR to indicate the implementation costs of these proposals. However, we note that these costs will be borne by the proposer, and can therefore be reasonably expected to be outweighed by the operational savings. We further note the proposer's view that implementing these proposals in parallel will reduce the overall implementation costs.

Relevant objective (c): the efficient discharge of the licensee's obligations under its licence;

⁵ The iGT UNC Panel is established and constituted from time to time pursuant to and in accordance with the iGT UNC Modification Rules. Modifications to the individual Network Codes also follow those rules.

⁶ iGT UNC modification proposals, modification reports and representations can be viewed on the iGT UNC website at <http://www.igt-unc.co.uk/>

⁷ The Authority's statutory duties are wider than matters which the Panel must take into consideration and are detailed mainly in the Gas Act 1986.

iGTs are required by their licence⁸ to keep a record of, amongst other things, the Gas Shipper(s) to which the site has been registered for the previous 5 years and the date of the most recent inspection⁹ of the gas meter. Where the iGT is aware that the registered Gas Supplier has supplied gas to the premises for less than 2 years and that an inspection is due, the iGT is further obligated to provide notice to the Gas Shipper, for onward communication to the Gas Supplier.

To the extent that the incorporation of the last meter inspection date within the IPL data flows will allow for more timely and efficient communication, we consider that IPL040 will better facilitate the efficient discharge of the licensee's obligations, as set out above.

Relevant Objective (d): securing of effective competition between relevant Shippers and between relevant suppliers;

We note that confirmation of the MAM, the GAO and the last inspection date are particularly critical to an incoming Gas Supplier following a customer transfer. Whilst neither of these proposals introduces new data items, to the extent they would each reduce the Gas Suppliers administrative costs of acquiring a consumer, we consider that they would each make a marginal contribution to a more efficient customer transfer process and therefore better facilitate effective competition between Gas Suppliers.

Decision notice

In accordance with Standard Condition 9 of the Gas Transporters Licence, the Authority hereby directs that the modification proposals IPL039: 'Inclusion of MAM and GAO details in TAS flows' and IPL040 'Inclusion of last meter inspection date to T16 flow' should be made.

Lesley Nugent
Head of Industry Codes and Licensing

Signed on behalf of the Authority and authorised for that purpose.

⁸ GT Licence Standard Condition 5: 'System Development Obligations'.

⁹ Carried out in accordance with the Gas Suppliers' Licence Standard Condition 12: 'Matters relating to Gas Meters'.