

IGT UNC Review Group IGTRP009

# New Connections on Independent Gas Transporter Networks

A Paper for Discussion

IGT UNC Operators  
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## Introduction

The competitive market in gas new connections has been extremely successful.

In 2006/7, IGTs provided circa 54% of all gas connections made. In 2007/8 this grew to 56% (circa 50% of all IGT connections came via adoption from Utility Infrastructure Providers)<sup>1</sup>

Independent Gas Transporter connection numbers now exceed 1,000,000 with contracts in place for a further 600,000.

Part of this success is attributable to the manner in which many IGTs (and UIPs) provide a “one-stop-shop” to the customers we share with energy suppliers, namely house builders, for provision of gas mains, services and meters. IGTs wish to retain the ability to provide this complete service to customers where we are appointed as gas meter asset manager.

With the Government having published their ambition to deliver 240,000 additional homes per year by 2016<sup>2</sup>, clearly IGT New Connections processes need to be robust and fit for purpose.

The Review of Gas Metering Arrangements (RGMA) required Transco (now National Grid) to formerly separate out its metering business from its transportation business from 12<sup>th</sup> July 2004. Whilst IGTs were not excluded from the discussions at that time, the ensuing RGMA Baseline, which facilitated metering separation on Transco networks, was not intended to encompass IGT processes and this is reflected in the fact that the SPAA Metering Schedule is a voluntary schedule for IGTs (Small Transporters).

IGTs and shippers did seek to develop standard IGT new connection processes during 2005/6 but, despite good work, network code modifications were never raised and shippers continue to face disparate processes on IGT networks.

Shippers remain concerned about the IGT new connections process, these concerns include:

- Absence of a standalone metering contract(s) for provision, installation, maintenance including appropriate service levels etc
- Lack of formal governance of business processes for IGT new connections (RGMA being voluntary only for small transporters)
- Perceived lack of timely, consistent and accurate provision of metering data
- Lack of consistency amongst IGTs
- Perceived inability to control the appointment of the MAM on new connections

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<sup>1</sup> Connections Industry Review 2007-08 dated 16 October 2008

<sup>2</sup> Department for Communities and Local Government Homes for the Future: more affordable, more sustainable – July 2007

IGT UNC Review Group 009 seeks to understand the changes required in IGT UNC to reflect the provision of metering by IGTs as MAMs. This work should facilitate the notional separation of the GT and MAM role within iGTs in order that the supplier can deal with the MAM in the same way as it would a third party MAM (where necessary).

A separate workstream is considering the establishment of a commercial metering contract between IGTs (as MAMs) and suppliers. It is believed that this will attempt to standardise the terms upon which, wherever possible, installation and provision of metering to domestic premises (as required by IGTs under licence<sup>3</sup>) is provided.

The role of review group 009 is now understood to be the production of code modifications (where appropriate) AND to propose and develop suitable business processes to underpin IGT new connections.

This paper seeks to provide greater clarity around the existing IGT domestic new connections process for all parties and attempts to propose pragmatic and workable solutions to the issues faced by all stakeholders in gas new connections.

The swift development of robust and efficient business processes for IGT new connections is of particular significance when considering the impending smart metering programme.

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<sup>3</sup> See SLC8 'Provision and return of meters'.

## 2. IGT Proposed New Connections Processes

### 2a) Initial Registration (Bulk Confirmation)

Typically, for all new housing developments, the housing developer will contract with one gas supplier to supply gas to all new houses on a development. This supply will continue until such time as the individual occupier seeks to transfer to another supplier.

Many of the larger house builders have national contracts in place with suppliers for this period of initial supply.

Given that the developers contracted gas supplier is commonly known at an early stage of development, IGTs seek to crystallise this by way of a “bulk registration.”

One of the benefits of confirming supply arrangements at an early stage is that any potential “shipperless sites” can be avoided<sup>4</sup>. This also presents a good opportunity for IGTs and Shippers to align the development and property data.

Currently, the IGT UNC contemplates bulk registration<sup>5</sup> and it is believed that most (if not all) IGTs utilise this method for initial supply point registration.

The data file exchanged between IGT and Shipper for this bulk supply point registration is known as a “Project Summary Report” or “PSR.”

In the absence of any formal governance, it is believed that the “PSR” differs from IGT to IGT creating complexity for the Shipper/Supplier.

IGTs are proposing to:

- Develop a standard IGT PSR Template
- Develop a standard PSR response template
- Develop standard PSR rejection codes
- Developed standard PSR production and response timescales
- Include requirement for Shipper (or Supplier depending on which governance/contractual method used) to confirm their appointed MAM at initial registration stage

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<sup>4</sup> Circa 86,000 on Large Transporter networks in April 2009 according to recent xoserve published statistics (Unconfirmed Sites Workgroup)

<sup>5</sup> IGT UNC Section CI Clause 13.11

Schedule 1 of this discussion paper contains proposed PSR templates, rejection codes and business rules. Schedule 2 contains visio diagrams showing the flow of information from party to party.

2b) [Change of Supply \(with and without change of MAM\)](#)

When a change of supply occurs, it is recognised that it is within the gift of the incoming shipper/supplier to appoint/de-appoint their chosen MAM.

Whilst IGT change of supply processes remain unaffected, additional flows developed as part of RGMA could be utilised for this purpose.

IGTs are proposing to utilise relevant RGMA flows to accommodate the appointment/de-appointment of MAM on change of supply.

Schedule 1 of this discussion paper contains proposed RGMA flows to be used for this purpose and Schedule 2 contains visio diagrams showing the flow of information from party to party.

2c) [Change of MAM only](#)

It is anticipated that there will be a requirement for IGTs to deal with a change of MAM only. This may be as a result of a change of commercial MAM by the shipper/supplier or as a result of an exchange or a sale/purchase of IGT metering equipment to a third party meter operator.

IGTs are proposing to utilise relevant RGMA flows to accommodate exchange of data on change of MAM.

Schedule 1 of this discussion paper contains proposed RGMA flows to be used for this purpose and Schedule 2 contains visio diagrams showing the flow of information from party to party.

### 3. **Other Considerations**

A number of related items were highlighted by IGT UNC Operators during discussions around IGT new connections and metering. These are documented below to aid discussion at the review group/metering contracts group.

3a) [Standards of Service](#)

Currently, a standards of service regime exists under the IGT UNC<sup>6</sup>. Much of this relates to the provision of metering information by the MAM. If the IGT UNC is to be altered to remove MAM activities, much of this standards of service regime may need to be removed and reflected elsewhere (for example, a generic metering contract).

3b) [Emergency Cover and Pass-through of Charges](#)

IGTs currently procure emergency cover arrangements via the GDNs, this includes attendance on site for no gas situations and to investigate potential gas leaks. There is only one gas emergency number.

For IGT supply points, where a third party meter operator is in place, the IGT will receive a call-out charge where their appointed emergency service provider has attended site. Where the incident relates to the meter, there will need to be a mechanism by which the IGT can seek to recover all reasonable charges. It may be most appropriate for provision to be made within the IGT UNC to recover these charges from the Shipper.

3c) [RPC File Format](#)

Currently, the IGT UNC governs the format in which IGTs may present transportation and metering invoices to gas shippers<sup>7</sup>

It may well be appropriate to amend the format to remove reference to meter charges and bring about the formal separation of IGT MAM charges and transportation billing.

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<sup>6</sup> IGT UNC Section K Clause 44

<sup>7</sup> IGT UNC Appendix G-1 RPC Invoice Template P103

### 3d) Transportation Revenue Assurance

Currently, the trigger for IGT transportation charges is where a meter is fitted to a “live” supply point. No complete meter data = no revenue for the IGT.

On new connections, IGTs are also incentivised financially under the IGT UNC to provide timely meter data to the Shipper where the IGT acts as MAM. The Shipper effectively has the right to refuse to pay any transportation charges until such time as meter data is provided<sup>8</sup>

The IGT UNC is currently silent on timescales and penalties for the lack of timely provision of metering data by Shippers where a third party meter operator is appointed.

Whilst it may not be possible to ensure the transmission of this required metering data on every occasion, it is appropriate to allow IGTs to backdate transportation charges in those cases where notification did not occur within the expected timescales. Where meter installation dates are not available, it may be appropriate to backdate transportation charges to the date of service pipe installation for example.

### 3e) Separation of MAM and MAP

One shortcoming of the current RGMA processes appears to be the lack of differentiation of meter asset provision (MAP) and meter asset management (MAM).

For example, the “ORDET” flow assumes MAP and MAM are the same entity.

It seems entirely possible to IGT UNC Operators that ownership and management of meters could be performed by different parties on IGT supply points, and so it makes sense to shape processes that allow for this. IGTs understand that British Gas have raised modifications under SPAA to move similar issues forward<sup>9</sup>

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<sup>8</sup> IGT UNC Section D Clause 7.4 “14 day rule”

<sup>9</sup> SPAA Change Proposals CP09/132-134

3f) [Development of IGT Metering Contract\(s\)](#)

IGT metering contract discussions have commenced and will quickly gain momentum if a suitable administration service provider is appointed.

Many of the required changes to network code will be driven by the outcome of these discussions.

Without sight of the draft contract, it is difficult for the IGTRP009 Workgroup to come to any meaningful conclusion – with the possible exception of discussion and agreement of IGT new connections business processes in a standalone capacity.

3g) [Proposed Next Steps](#)

1. Agree to focus activity under IGTRP009 to the development of an acceptable and pragmatic IGT new connections process that **aims** to:
  - a) Produce a document/suite of documents that can readily be inserted into formal governance which clearly outline business processes for IGT new connections (appropriate governance mechanism to be discussed)
  - b) Develop consistency amongst IGTs including the adoption of:
    - standard IGT PSR Template
    - standard IGT PSR response template
    - standard IGT PSR rejection codes
    - standard IGT PSR production and response timescales
    - standard meter data notifications (suggestion existing RGMA flows)
    - MAM appointment/de-appointment flows (suggestion existing RGMA flows)
  - c) Include requirement for Shipper (or Supplier depending on which governance/contractual method used) to confirm their appointed MAM at initial registration.
2. Develop IGT UNC Modifications pursuant to ongoing metering contract discussions when appropriate to do so.