UNC Modification	At what stage is this document in the process?
# UNC 0XXX: *(Code Administrator to issue reference)* ## Change Maximum Meter Read Frequency to 6 Monthly *(Please provide a short informative title)*	01 Modification 02 Workgroup Report 03 Draft Modification Report 04 Final Modification Report

Purpose of Modification: *(Proposer to provide a short description)*

This Modification proposes to reduce the maximum meter read frequency for Class 4 meter points to 6 Monthly

Please provide an initial view of the preferred governance route/pathway and impacted parties

The Proposer recommends that this modification should be: *(delete as appropriate)*

- subject to self-governance
- assessed by a Workgroup

This modification will be presented by the Proposer to the Panel on dd mmm yyyy *(Code Administrator to provide date)*. The Panel will consider the Proposer's recommendation and determine the appropriate route.

High Impact: *(Proposer to identify impacted parties)*

None

Medium Impact: *(Proposer to identify impacted parties)*

Gas Shippers, the CDSP

Low Impact: *(Proposer to identify impacted parties)*

End Consumers, Gas Transporters

Contents

Timetable

Please provide proposer contacts and an indicative timeline. The Code Administrator will update the contents and provide any additional Specific Code Contacts.

The Proposer recommends the following timetable: *(amend as appropriate)*	
Initial consideration by Workgroup	dd month year
Amended Modification considered by Workgroup	dd month year
Workgroup Report presented to Panel	dd month year
Draft Modification Report issued for consultation	dd month year
Consultation Close-out for representations	dd month year
Variation Request presented to Panel	dd month year
Final Modification Report available for Panel	dd month year
Modification Panel decision	dd month year

Any questions?

Contact:
Joint Office of Gas Transporters

enquiries@gasgovernance.co.uk

0121 288 2107

Proposer:
Insert name

email address

telephone

Transporter:
Insert name

email address

telephone

Systems Provider:
Xoserve

UKLink@xoserve.com

Other:
Insert name

email address

telephone

1 Summary

*Please provide a summary of the modification proposed – i.e. **what** is the identified defect/change in the existing code that needs to be rectified, **why** this change needs to be made, and **how**.*

What

*Provide a summary of **what** needs to be changed so that readers have an overview of what the identified defect is that needs to be rectified.*

This Modification proposes to reduce the maximum meter read frequency for Class 4 meter points from Annually to 6 Monthly.

Why

*Provide a summary of **why** this change should be made, so that readers have an overview of the impact if the change isn't made.*

The Unidentified Gas Task Force (as established by UNC Mod 0658) has determined that the lack of timely meter readings is a significant contributing factor to daily UIG levels and volatility. This is because the Rolling AQ could be out of date, leading to inappropriate NDM Allocations. One of the Task Force findings demonstrated that the longer the gap between accepted meter readings, the greater the volatility of the re-calculated Rolling AQ.

Although any differences between NDM Allocation and actual consumption will be corrected by meter point reconciliation, the delay in submitting valid meter readings will lengthen the time to get to a final UIG position within that LDZ. In the absence of accepted meter readings, some billing periods may close out without being reconciled at all, leaving any allocation errors to be borne by UIG.

Measures to shorten the period between meter readings would help to reduce daily UIG levels, and possibly volatility, and also shorten the time to get to "final UIG".

How

*Provide a summary of the proposed Solution so that readers have an overview of **how** you propose to address the defect.*

This Modification proposes to reduce the maximum meter read frequency for Class 4 meter points from Annually to 6 Monthly, as defined in UNC M5.9.

2 Governance

Justification for [Fast Track] Self-Governance, Authority Direction or Urgency

This Modification is recommended for self-governance procedures, on the basis that it is a minor change to industry governance and that there is already an obligation to provide one read per annum into settlement (UNC Modification 0570 – TPD M5.9.9). As the CDSP is already receiving at least 2 reads per annum for more than 80% of sites this would not require a step change in meter reading submission.

As the roll-out of Smart meters and AMR devices continues, more and more sites should have the capability for remote meter reading, thereby reducing the number of occasions where physical access is required at site, and thereby having minimal impact on the end consumer. There are already around 7 million sites with remote reading capability, around 30% of the GB gas meter population.

Please state clearly which governance procedures apply and why, referring to the relevant criteria (reproduced by the Code Administrator below):

The proposer must explain the level of materiality that justifies the chosen route. ***MATERIALITY MUST BE EVIDENCED TO REQUEST AUTHORITY DIRECTION***

Self-Governance Criteria (please delete criteria):

The modification:

(i) is unlikely to have a material effect on:

(aa) existing or future gas consumers; and

(bb) competition in the shipping, transportation or supply of gas conveyed through pipes or any commercial activities connected with the shipping, transportation or supply of gas conveyed through pipes; and

(cc) the operation of one or more pipe-line system(s); and

(dd) matters relating to sustainable development, safety or security of supply, or the management of market or network emergencies; and

(ee) the uniform network code governance procedures or the network code modification procedures; and

(ii) is unlikely to discriminate between different classes of parties to the uniform network code/relevant gas transporters, gas shippers or DN operators.

Fast Track Self-Governance Criteria (please delete criteria):

The modification:

a. would meet the self-governance criteria; and

b. is properly a housekeeping modification required as a result of some error or factual change, including but not limited to:

i. updating names or addresses listed in the uniform network code;

ii. correcting minor typographical errors;

iii. correcting formatting and consistency errors, such as paragraph numbering; or

iv. updating out of date references to other documents or paragraphs.

Requested Next Steps

This modification should: *(delete as appropriate)*

- be considered a non-material change and subject to self-governance
- be assessed by a Workgroup

Please provide any additional information to support your preferred next steps, such as any critical events driving the timeline. For instance, if you wish your proposal to be issued directly to consultation without workgroup assessment, you must explain why such an assessment is not required and include details of any pre-modification engagement.

3 Why Change?

This section sets out the defect in Code, which may be an error, an omission or something the Proposer wishes to change. The context for the proposal must be clearly set out and should explain:

1. What the driver is and which parties are impacted;

2. *Why this is a Code matter (in the case of new additions); and*
3. *What the effects are should the change not be made.*

Under the current UNC rules, Non-Daily Metered sites which are not Monthly read are Annually Read (M5.9). Whilst roughly 50% of Supply Points have a "6-monthly" frequency on UK Link, this is not recognised within UNC as a valid read frequency.

The use of an Annual Read Frequency had resulted in a large number of sites which have not had a meter reading for some considerable time. As at March 2019 the UIG Task Force identified over 770,000 Class 3 and 4 sites as not having had a meter read since Project Nexus Go-Live, with a combined Rolling AQ equivalent to 3.1% of total NDM LDZ AQ. These sites are more likely to have an inaccurate Rolling AQ than those with more recent meter readings. This in turn will contribute to daily UIG until a meter reading is accepted.

A shorter read frequency would help to increase the level of read submission and increase Rolling AQ accuracy, reduce daily UIG and/or shorten the time to get to a "final UIG" position after meter point reconciliation. It would also help to minimise the number of meter points for which no meter reconciliation occurs prior to Line-in-the-Sand (i.e. the Code Cut-Off Date).

4 Code Specific Matters

Please include any Code Related Documents or Guidance notes that are relevant. Weblinks are very helpful. Also, any specific analytical or assessment-related skills you believe would aid the assessment.

Reference Documents

UIG Task Force Findings:

https://www.xoserve.com/media/2984/325-aq-trends-for-0672.pdf

Knowledge/Skills

An understanding of meter reading process, reconciliation and AQ would be helpful.

5 Solution

The solution must clearly set out the contractual (UNC) changes required, not the detail of the process/system change required.

Any additional explanation that Proposers believe is helpful, but that is not intended to be written into Code, must be clearly marked as such ("for information only" or "for the avoidance of doubt" or similar works well in such situations) to aid with the development of legal text.

This modification proposes that the maximum meter read frequency for Class 4 meter points is reduced from Annually to 6 Monthly.

It is proposed that upon implementation of the Modification, that the CDSP amends the Meter Read Frequency of all remaining Annually Read Supply Points to 6 Monthly.

Note that there is a separate UNC Modification proposal to reduce the trigger period for a Must Read on Non-Monthly read sites to 15 months, and to transfer the obligation to obtain Must Reads to the CDSP. It is envisaged that these two Modifications are progressed separately, as their aims are complementary to one another.

6 Impacts & Other Considerations

All parts of this section must be completed; showing "None" where the Proposer believes this is so.

Does this modification impact a Significant Code Review (SCR) or other significant industry change projects, if so, how?

In the event there is an impact on an SCR, Proposers must confirm that they have Ofgem approval to proceed.

None

Consumer Impacts

Proposers must provide their view of the impacts on all consumer groups that may be affected; this will be supported by further input from Workgroup participants later in the process. If 'none', please also explain.

As this Modification aims to increase the number of meter readings that are obtained for Smaller Supply Points, this will mean more access to consumer premises. However, as the number of Smart/AMR sites increases, there will be greater capability to obtain remote readings, which would not involve disturbing the end consumer. Likewise where the gas meter is external to the property (as in almost all new build properties) there would be no need to disturb the end consumer.

Cross Code Impacts

Please identify any other impacted energy code – a full list is available in the CACoP (Ofgem) - and the extent of those impacts e.g. a similar modification has been raised in another Code.

A similar Modification may be required to IGT UNC. It is not anticipated a SPAA change would be required but we welcome feedback from the Suppliers or the CACoP.

EU Code Impacts

Please identify any impacted EU energy code

None

Central Systems Impacts

Proposers must provide their view of the impacts on central systems (inc. Gemini and UK Link) that may be affected; this will be supported by further input from the Central Data Services Provider (Xoserve) later in the process. If 'none', please also explain.

CDSP systems will need to be changed to remove the option for Annual Read Frequency and to update all remaining Annual frequencies to 6-Monthly following implementation.

We would look to raise an XRN to develop in conjunction with the Modification.

7 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.	Positive
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.	None
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

More frequent and timely meter readings will improve Rolling AQs and therefore make gas allocation more accurate and speed up/reduce meter point reconciliation. In turn this will promote competition by reducing the barrier to entry that is currently being created by the high, unexplained levels of Unidentified Gas (UIG).

8 Implementation

As far as they are known, the anticipated implementation costs for all industry parties (e.g. Transporters, Shippers, adjacent TSOs, Storage/Terminal Operators, central systems, customers) should be provided.

Provide any views you have on implementation timescales, including the costs and benefits of a range of implementation options where appropriate.

If a suggested implementation date is not provided and the decision is to accept the modification, then the Transporters will set the implementation date.

*If a timescale for implementation is suggested, the format explained below **must** be used, and brief reasons provided for each suggested date.*

- *At least two fixed implementation dates must be specified, and for each of these the latest date by which an implementation decision is required if the date is to apply: e.g. 01 June 2014 if a decision to implement is issued by 15 May 2014; 01 September 2014 if a decision to implement is received by 06 August 2014.*
- *In addition, a backstop lead time must be specified to allow for any later decision date: e.g. if a decision to implement is received after 06 August 2014, implementation 21 business days following the decision to implement.*

Suggested wording for Self-Governance Modifications:

There are two parts to implementation:

Part 1

Enduring implementation – this will be linked to the XRN and a date approved by the DSC ChMC and will align to any IGT UNC Modification.

Part 2

One-off update of Meter Read Frequencies – this would take place at an agreed date after implementation.

9 Legal Text

Proposers are welcome to provide Suggested Legal Text alongside their modification, but are under no obligation to do so unless Fast Track procedures are requested (see above).

Legal text will be drawn up by the relevant Transporter at a time when the modification is sufficiently developed in line with the Legal Text Guidance Document.

Legal text to be provided.

10 Recommendations

Proposer's Recommendation to Panel

Panel is asked to: *[Delete as appropriate]*

- Agree that self-governance procedures should apply
- Refer this proposal to a Workgroup for assessment.