















UNC Modification	At what stage is this document in the process?
<p><b>UNC 0XXX:</b>  <i>(Code Administrator to issue reference)</i></p> <p><b>Amend Must Read Obligations for Smaller Supply Points</b> <i>(Please provide a short informative title)</i></p>	<div style="display: flex; flex-direction: column; gap: 5px;"> <div style="border: 1px solid green; background-color: #00a651; color: white; padding: 5px; display: flex; align-items: center; justify-content: space-between;"><span style="font-weight: bold; font-size: 1.2em;">01</span> Modification</div> <div style="border: 1px solid #00a651; padding: 5px; display: flex; align-items: center; justify-content: space-between;"><span style="font-weight: bold; font-size: 1.2em;">02</span> Workgroup Report</div> <div style="border: 1px solid #00a651; padding: 5px; display: flex; align-items: center; justify-content: space-between;"><span style="font-weight: bold; font-size: 1.2em;">03</span> Draft Modification Report</div> <div style="border: 1px solid #00a651; padding: 5px; display: flex; align-items: center; justify-content: space-between;"><span style="font-weight: bold; font-size: 1.2em;">04</span> Final Modification Report</div> </div>
<p><b>Purpose of Modification:</b> <i>(Proposer to provide a short description)</i></p> <p>This Modification proposes changes to the arrangements for Must Reads for Smaller Supply Points as follows:</p> <ul style="list-style-type: none"> <li>Reduction of the trigger period for non-Monthly Read Smaller Supply Points from 24 months to 15 months</li> <li>Transfer the obligation to obtain Must Reads to the CDSP, who would attempt to obtain a meter reading</li> </ul>	
	<p><i>Please provide an initial view of the preferred governance route/pathway and impacted parties</i></p> <p>The Proposer recommends that this modification should be: <i>(delete as appropriate)</i></p> <ul style="list-style-type: none"> <li>subject to self-governance</li> <li>assessed by a Workgroup</li> </ul> <p>This modification will be presented by the Proposer to the Panel on <b>dd mmm yyyy</b> <i>(Code Administrator to provide date)</i>. The Panel will consider the Proposer's recommendation and determine the appropriate route.</p>
	<p>High Impact: <i>(Proposer to identify impacted parties)</i></p> <p>The CDSP</p>
	<p>Medium Impact: <i>(Proposer to identify impacted parties)</i></p> <p>Gas Shippers</p>
	<p>Low Impact: <i>(Proposer to identify impacted parties)</i></p> <p>End Consumers, Gas Transporters</p>

Contents		 Any questions?	
1	Summary	3	Contact: Joint Office of Gas Transporters
2	Governance	3	 <a href="mailto:enquiries@gasgovernance.co.uk">enquiries@gasgovernance.co.uk</a>
3	Why Change?	4	
4	Code Specific Matters	5	 0121 288 2107
5	Solution	5	
6	Impacts & Other Considerations	5	Proposer: Insert name
7	Relevant Objectives	7	 email address
8	Implementation	8	
9	Legal Text	9	 telephone
10	Recommendations	9	
Timetable		Transporter: Insert name	
<i>Please provide proposer contacts and an indicative timeline. The Code Administrator will update the contents and provide any additional Specific Code Contacts.</i>		 email address	
<b>The Proposer recommends the following timetable:</b> <i>(amend as appropriate)</i>		 telephone	
Initial consideration by Workgroup	dd month year	Systems Provider: <b>Xoserve</b>	
Amended Modification considered by Workgroup	dd month year	 <a href="mailto:UKLink@xoserve.com">UKLink@xoserve.com</a>	
Workgroup Report presented to Panel	dd month year		
Draft Modification Report issued for consultation	dd month year	Other: Insert name	
Consultation Close-out for representations	dd month year	 email address	
Variation Request presented to Panel	dd month year		
Final Modification Report available for Panel	dd month year	 telephone	
Modification Panel decision	dd month year		

## 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 measures to reduce the number of Smaller Supply Points without a meter reading for 15 months or more, and reduce the average time between actual meter readings for Smaller Supply Points.

### 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 qualifying period between the last accepted actual meter reading on UK Link and the initiation of the “Must Read” process as described in UNC M5.10 from 24 months to 15 months for all non-Monthly Read and all non-Daily Read sites.

The Modification also proposes to transfer the obligation for obtaining Smaller Supply Point Must Reads from the Gas Transporter to the CDSP. It envisages that the CDSP will put in place processes to ensure that it uses “reasonable endeavours” to obtain a meter reading in each case.

## 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). The revised Must Read trigger at 15 months should rarely occur if the M5.9.9 obligations are being met.

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 arrangements, Non-Daily Metered sites with a meter read frequency other than Monthly, i.e. 6-Monthly or Annually read sites, do not hit the trigger point for a Must Read until 24 months after the last actual reading. In addition, there is an informal understanding within the industry that the Gas Transporter will not attempt to obtain a must read for Smaller Supply Points, although Pre-Notifications are issued to the relevant Gas Shipper when the trigger date is reached.

This 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 trigger period for Must Reads, and more proactive measures to obtain meter readings would help to increase the frequency of read submission and reduce the number of overdue meter readings. This would in turn 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.*

## 5.1 Reduction of the trigger period for non-Monthly Read Smaller Supply Points

This modification proposes that the trigger period for non-Monthly Read Smaller Supply Points is reduced from 24 months to 15 months since the date of the last actual meter reading.

## 5.2 Transfer the obligation to obtain Must Reads to the CDSP

This modification proposes that the obligation to obtain Must Reads for Smaller Supply Points (SSPs) is transferred from the Gas Transporter to the CDSP, who would attempt to obtain a meter reading. There would be no change to the requirement to issue a Pre-Notification.

The CDSP would charge the relevant Shipper for successfully obtaining a meter reading, either via a meter reader or via remote reading equipment. The unit prices for Must Reads would be published on a periodic basis and would be cost reflective.

No change is proposed to Larger Supply Point Must Read arrangements, which are currently operated by the Gas Transporters.

## 5.3 Catch-up programme

It is proposed that upon implementation of the Modification, that the CDSP undertakes a [12 month] phased programme to obtain readings for all SSPs which are overdue for a must read. The CDSP would prioritise meter points based on time since last reading, Rolling AQ (which might prioritise very large and very small AQs) and/or geography: all sites in a LDZ might be targeted to obtain economies on meter readers' travel time and costs.

## 5.4 Reporting

The CDSP would be required to report on:

- its monthly performance in obtaining the number of Must Reads which had fallen due and a summary of the proportion of failures by reason code
- its monthly performance in updating UK Link with the reads obtained and a summary of the proportion of failures by reason code
- its progress with the catch-up programme of Must Reads following implementation
- proportion of each Shipper's portfolio hitting the Must Read trigger each month, for use by the Performance Assurance Committee (un-anonymised) and for industry publication (anonymised)

Note that there is a separate UNC Modification proposal to reduce the maximum permitted Meter Read Frequency from 12 Months to 6 Months. 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.

Changes to the Smart Energy Code may be required to facilitate access to Smart meters via the DCC wherever possible, rather than gaining physical access to the property.

## 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.*

The CDSP will need to set up contracts with a meter read provider to obtain readings during the catch-up phase and on an ongoing basis.

CDSP systems will need to be changed to reflect the new Must Read trigger and to initiate a Must Read with a meter read provider. New charging mechanisms will be required to charge the relevant Shipper for successful Must Reads.

The necessary reports will also need to be created.

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	Positive

(ii) the pipe-line system of one or more other relevant gas transporters.	
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

Catch-up meter reading programme – this would commence at an agreed date after implementation with a target completion of [12] months later.

## 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.