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Joint Office of Gas Transporters

UNC Modification	At what stage is this document in the process?
# UNC 0XXX: ## Automatic updates to Meter Read Frequency	01 Modification 02 Workgroup Report 03 Draft Modification Report 04 Final Modification Report

Purpose of Modification:

To place an obligation on the CDSP to automatically update the Meter Read Frequency of a Class 3 or 4 Supply Meter Point to Monthly, if:

a) The AQ increases to 293,000 kWh or above; or

b) The Supply Point Register is updated to show that either Smart or Advanced metering equipment is in place.

In addition to undertake a one-off exercise to update the Meter Read Frequency of all current registered Supply Meter Points to Monthly, where they meet at least one of the two criteria above.

	The Proposer recommends that this modification should be: • subject to self-governance 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: None
	Medium Impact: CDSP, Shippers
	Low Impact: Gas Transporters

Contents

Timetable

The Proposer recommends the following timetable:

Initial consideration by Workgroup	28 March 2019 (Distribution)
Workgroup Report presented to Panel	20 June 2019
Draft Modification Report issued for consultation	21 June 2019
Consultation Close-out for representations	11 July 2019
Final Modification Report available for Panel	8 August 2019
Modification Panel decision	15 August 2019

Any questions?

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Commented [XO2]: Proposal drafted by Xoserve UIG Task Force, awaiting UNC Party to sponsor

Commented [XO1]: Xoserve suggestions, to be reviewed by Proposer

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.*

Following the implementation of UNC Modification 0638V (Mandate monthly read submission for Smart and AMR sites from 01 April 2018) there is now a UNC obligation for all sites with Smart or Advanced metering to be read monthly, regardless of AQ. The update of the meter read frequency on the Supply Point Register is currently the responsibility of the Shipper, and as a result many Smart and Advanced meter points still have a lower read frequency (6-monthly or annual).

In addition, some meter points with an AQ equal to or greater than 293,000 also have a non-monthly read frequency.

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.*

Although all sites with AQ equal to or greater than 293,000 (UNC M5.9.1 (b)) and/or Smart or Advanced metering (UNC M5.9.1 (d)) should have a monthly read frequency, this is not always reflected on the Supply Point Register.

A summary of the count and AQ of meters points with a Meter Read Frequency other than Monthly as at February 2019 (Class 3 and 4 sites only) is set out below.

Non-Monthly Read Frequency	**Number**	**Aggregate AQ**
AQ ≥ 293,000 kWh	**2,000**	**1.7 tWh**
Smart meter	**7,038,000**	**92.7 tWh**
AMR Equipment	**191,000**	**11.5 tWh**
Total	**7,231,00**	**105.9 tWh**

The Unidentified Gas (UIG) Task Force (as established under UNC Modification 0658) has identified that low rates of meter read performance can be a significant contributing factor to UIG. The incorrect Meter Read Frequency could be contributing to lower read submission levels (because the Shipper is not receiving any notifications of overdue readings until either 6 or 12 months have elapsed).

The sites which are overdue for a meter reading could have an inaccurate AQ, which will result in inaccurate daily gas allocations (Class 3 and 4 sites only). The above total AQ represents around 20% of total LDZ throughput. For instance, if the AQs of these sites are understated by, say, 2% on average, this would be contributing 0.4% of total throughput to UIG.

For very large sites which are approaching the Class 1 threshold but are not Monthly Read, this will mean that Rolling AQ calculations could be less frequent, so that it will take many more months to meet the UNC G1.6.15 triggers for re-confirmation as Class 1.

This change was one of the UIG Task Force's proposed options to address UIG Issue 3.2.1 and was well-supported at the UIG Workgroup in January when it was proposed.

Many Shippers may already be reading these meters on their portfolio on a monthly frequency, and may be experiencing read rejections as a result of the incorrect meter point attributes.

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 that the CDSP should be given the authority to make changes to the Meter Read Frequency in the following circumstances:

a) Where the AQ of a meter point increases to 293,000 kWh or above, the Meter Read Frequency should be amended to Monthly (if not already set to that value) with effect from the effective date of the new AQ.

b) Where the Supply Point Register is updated to show that the meter point has either a Smart meter or Automated Meter Reading Equipment fitted, the Meter Read Frequency should be amended to Monthly (if not already set to that value) with immediate effect.

For the avoidance of doubt, this Modification does not propose any changes to the Meter Read Frequency when the AQ drops below the qualifying threshold or if the Supply Point Register is updated to show that Smart/AMR equipment has been removed. It would be up to the discretion of the Shipper to amend the Meter Read Frequency in those circumstances.

2 Governance

Justification for Self-Governance

This Modification is recommended for self-governance procedures, on the basis that it is a minor change to industry governance and unlikely to have an impact on end consumers. This change would help Shippers by making updates to the Meter Read Frequency to make them compliant with UNC.

There should be little or no impact to end consumers: in all cases their Supplier should already be reading their meter every month, and for the vast majority of these sites the Supplier should have a remote reading capability. This should not cause any additional inconvenience or disturbance to end consumers.

Requested Next Steps

This modification should:

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

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.

The current arrangements whereby the Meter Read Frequency can only be updated by the Shipper have resulted in a large number of sites having inappropriate values, when compared to the AQ or recorded equipment. As at February 2019 the Supply Point Register showed over 7 million meter points that should be monthly read but were in fact 6-monthly or annually read.

This has led to lower meter read submission rates. In particular, for sites with Smart or AMR equipment on site, as of February 2019, over 900,000 sites (with a combined AQ of over 11 tWh) had not had a meter reading for over 3 months. If these sites had all been set to monthly read frequency, the Shipper would have been receiving pre-Notifications of overdue readings, which could have prompted them to obtain a reading.

Whilst the actual impact on UIG cannot be assessed, as the actual monthly readings are not visible to the industry, and the extent of any AQ errors is unknown, this contributes to risk in daily gas allocation, and delays to meter point reconciliation, which in turn prolongs the uncertainty around final UIG levels.

More proactive measures are required to address these inconsistencies between the AQ/equipment and the Meter Read Frequency. As the general premise of UNC is that Shippers are responsible for data quality, a UNC Code Mod is required to give the CDSP authority to change this data item.

4 Code Specific Matters

Reference Documents

UIG Task Force recommendations for Issue 3.2.1:

https://www.xoserve.com/media/2493/321-uig-task-force-inaccurate-ood-aqs-euc09-sites-recommendations.pdf

Knowledge/Skills

Understanding of the UNC obligations around the setting of the Meter Read Frequency would be helpful.

5 Solution

A more active role for the CDSP would bring the Meter Read Frequency into line with the AQ and/or equipment on site, which in turn would improve meter read submission rates, due to the provision of better information to Shippers about overdue meter readings.

This Modification proposes that the CDSP should be given the authority to make changes to the Meter Read Frequency in the following circumstances:

a) Where the AQ of a meter point increases to 293,000 kWh or above, the Meter Read Frequency should be amended to Monthly (if not already set to that value) with effect from the effective date of the new AQ.

b) Where the Supply Point Register is updated to show that the meter point has either a Smart meter or Automated Meter Reading Equipment fitted, the Meter Read Frequency should be amended to Monthly (if not already set to that value) with immediate effect.

In addition a set of one-off transitional activities would give a step-change improvement, after implementation. See Section 8 below.

The Workgroup should consider whether any consideration is required for meter points where a Smart meter has been installed but which is now inoperable due to a change of Shipper (e.g. SMETS1 meters).

6 Impacts & Other Considerations

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

None

Consumer Impacts

This change should not impact end consumers, as the Shipper should have remote reading capability at these sites.

Cross Code Impacts

None

EU Code Impacts

None

Central Systems Impacts

CDSP systems will need to be changed to identify sites in both scenarios, to apply the required changes, and to notify the relevant Shipper of the changes that have been made.

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	None

respects the availability of gas to their domestic customers.	
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

Correct meter read frequencies will promote higher rates of meter read submission and more accurate AQs, and thus more accurate gas allocation and reconciliation, which 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

The CDSP would need to advise of an implementation date for the necessary system changes to support this Modification.

Following implementation, a one-off exercise would be undertaken to identify all existing sites with inappropriate non-Monthly Meter Reading Frequencies and amend the frequency to Monthly:

a) Where a meter point has an AQ equal to or above 293,000 kWh.

b) Where the Supply Point Register shows that the meter point has either a Smart meter or Automated Meter Reading Equipment fitted

9 Legal Text

Legal text to be provided.

10 Recommendations

Proposer's Recommendation to Panel

Panel is asked to:

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