









UNC Final Modification Report	At what stage is this document in the process?
<h1>UNC 0819:</h1> <h2>Establishing/Amending a Gas Vacant Site Process</h2>	<div style="display: flex; flex-direction: column; gap: 5px;"> <div style="border: 1px solid #ccc; border-radius: 5px; padding: 5px; display: flex; align-items: center; gap: 10px;"> 01 Modification </div> <div style="border: 1px solid #ccc; border-radius: 5px; padding: 5px; display: flex; align-items: center; gap: 10px;"> 02 Workgroup Report </div> <div style="border: 1px solid #ccc; border-radius: 5px; padding: 5px; display: flex; align-items: center; gap: 10px;"> 03 Draft Modification Report </div> <div style="border: 1px solid #ccc; border-radius: 5px; padding: 5px; display: flex; align-items: center; gap: 10px;"> 04 Final Modification Report </div> </div>
<p>Purpose of Modification:</p> <p>This Modification seeks to provide Shippers with the ability to effectively manage their Settlement Performance Obligations and Transportation Costs for Vacant sites.</p>	
<p>Next Steps:</p> <p>The Panel recommends implementation.</p>	
<p>Impacted Parties:</p> <p>High: Shippers and Suppliers</p> <p>Low: Distribution Network Operators, Independent Gas Transporters and Consumers</p> <p>None: NTS</p>	
<p>Impacted Codes:</p> <p>Uniform Network Code (UNC) and Independent Gas Transporters UNC</p>	

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Timetable		
Modification timetable:		
Pre-Modification Discussed at final 0783R workgroup	12 July 2022	
Date Modification Raised	01 September 2022	
New Modification to be considered by Panel	15 September 2022	
First Workgroup Meeting	22 September 2022	
Workgroup Report to be presented to Panel	19 October 2023	
Draft Modification Report issued for consultation	19 October 2023	
Consultation Close-out for representations	16 November 2023	
Final Modification Report available for Panel	20 November 2023	
Modification Panel recommendation	14 December 2023	
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1 Summary

What

This Modification proposes to give Shippers the ability to effectively manage Settlement Performance Obligations and reduce Transportation Costs when the proposed Vacant criteria is met, and a Shipper has chosen to set a site to Vacant.

Why

- Within the current economic climate there are many domestic and commercial properties that have become Vacant, with the Shipper unable to access the property or contact the customer to obtain meter readings. In certain circumstances, a warrant can be obtained through the courts. However, this can be a costly procedure and requires a considerable amount of time and effort. Despite these facts, Gas Shippers are unable to effectively reduce their Settlement Performance Obligations and Transportation Cost exposure to these sites, as:
 - An AQ for a site can only be amended by obtaining meter readings
 - A Shipper/Supplier cannot access the site(s) to obtain meter readings
 - A Shipper is unable to contact the customer to obtain meter readings

How

The Modification proposes that once a site has met proposed Vacant criteria, the Shipper is given the ability to contact the Central Data Service Provider (CDSP) to remove Settlement Performance Obligations and stop Transportation Costs while the site is in a Vacant status.

Shippers would continue to apply the Isolation and Withdrawal process where it is deemed appropriate and possible, noting that the majority of isolations can only be applied with access to the property. The process proposed under this Modification regarding Vacant sites is independent to the current Isolation and Withdrawal processes. There are no proposed changes to the Isolation or Withdrawal processes as a result of this Modification.

This Modification also seeks to introduce additional reporting to Performance Assurance Committee (PAC) (and a corresponding anonymised report) in the Performance Assurance Report Register (PARR) regarding the Vacant Sites process. This is likely to include the count of Supply Meter Points where the CDSP have been notified of Vacant criteria for a site being met and the total count of sites that have a Vacant Status and the duration they have had this status.

2 Governance

Authority Direction is proposed for this Modification, as the last time this subject was discussed in 2011 (Modification 0282 & 0282A) it was considered a material change and not subject to Self-Governance. The view of Workgroup 0783R was that this was still the case for this Modification due to the potential impacts in Gas Allocation, Reconciliation and UIG.

Requested Next Steps

This Modification should be considered a material change and not subject to Self-Governance.

Workgroup's Assessment

On 24 August 2023 Workgroup agreed that the Modification should remain as Authority Direction.

3 Why Change?

Currently there is no process that allows Shippers to remove Settlement Performance Obligations or reduce Transportation Costs for Vacant sites without submitting meter readings. However, when a site is Vacant it is difficult for Shippers and meter reading agents to obtain meter readings. In certain circumstances, a warrant can be obtained through the courts. However, this is a costly procedure and requires a considerable amount of time and effort. This leaves Shippers paying inflated Transportation Costs until meter readings are obtained and submitted and accepted into Settlement, noting that some costs become unrecoverable when the last actual reading predates the Line in the Sand date.

By providing Shippers with the ability to reduce Transportation Costs to reflect real time usage it will ensure that Shippers are not paying upfront costs, noting that this would be particularly useful to the smaller market participants that might not have access to large amounts of cashflow for upfront costs, promoting market competition.

Shippers would continue to apply the Isolation and Withdrawal process where it is deemed appropriate and possible, noting that the majority of isolations can only be applied with access to the property. The process proposed under this Modification regarding Vacant sites is independent to the current Isolation and Withdrawal processes. There are no proposed changes to the Isolation or Withdrawal processes as a result of this Modification.

4 Code Specific Matters

Reference Documents

TPD Section G and Section V <https://www.gasgovernance.co.uk/TPD>

Knowledge/Skills

Knowledge of Read Submission Process, AQ and SOQ, Gas Allocation, Reconciliation and UIG.

5 Solution

Business Rule 1

It is proposed that a new Vacant site process for Product Class 4 Non-Daily Metered (NDM) sites with a Standard Meter (DUMB), Non-active AMR Meter or SMETS Meter with a Non-Active DCC Flag Meter configuration, is established to allow Shippers to remove sites from Meter Read Obligations in TPD M5.9, Must Reads in TPD M5.10, and reduce their cost exposure to Vacant sites, through a process similar to which exists in the Electricity market.

The Shipper would be responsible for ensuring the proposed criteria is met before a site could be made Vacant through notification to the CDSP. Details of the proposed criteria will be maintained within a UNC Related Document - Vacant Site Guidance Document.

For the avoidance of doubt, IGT sites are in scope of the 0819 process BUT there are no changes to IGT specific charges.

Business Rule 2

Where a Shipper has ensured that the proposed Vacant site criteria has been met and wishes to utilise the Gas

Vacant process, the Shipper will notify the CDSP to enter the site into “Vacant status”. Where the CDSP holds information to suggest that proposed Vacant site criteria has not been met in accordance with the Vacant Site Guidance Document, the CDSP will reject the submission for a Vacant status.

Business Rule 3: Settlement and Commodity Relief

At the point the site is entered into a Vacant status by the CDSP (as notified by the Registered User), Settlement Performance Obligations, Commodity Costs, Daily Allocation and UIG will cease prospectively.

For the avoidance of doubt, this cease to Meter Read Obligations in TPD M5.9, Must Reads in TPD M5.10, Commodity Costs, Daily Gas Allocation and UIG Allocation will be prospective only from the point the Vacant Status is applied. Any retrospective ceases are out of scope of this Modification and process.

Business Rule 4: Capacity Relief

Where a site has been in a Vacant status for 12 months or more with the same Supplier and Shipper the Shipper will have the option to request a change to the Annual Quantity (AQ) of the site to set the AQ to 1 via a new Vacant site “eligible cause” as per TPD G 2.3.21 to receive Capacity relief.

Business Rule 5: Exit Criteria

A site will trigger the removal from Vacant status when any of the following occur:

1. Change of Shipper and / or Supplier event (CoS) request is accepted, including as a result of:
 - a. Supplier of Last Resort (SoLR) event has taken place
2. An AQ amendment has been submitted except if in accordance with Business Rule 4 (for the avoidance of doubt, this exit criteria could be triggered by submission of an “eligible cause” as per TPD G 2.3.21 and where a change in AQ is submitted due to read tolerance as per TPD G 2.3.22).
3. Class Change is submitted
4. Request for Isolation is made
5. Read relevant to the period of vacancy is submitted into UK Link
6. ONJOB is submitted into UK Link

For the avoidance of doubt, in relation to points 2 to 6 above the trigger is being submitted to the CDSP, regardless of it being accepted and processed centrally.

Business Rule 6: Vacant status removal - Settlement and Commodity Relief

- a.) Where the site AQ **has not** been reduced to 1, the CDSP will remove the Vacant status with Meter Read Obligations in TPD M5.9, Must Reads in TPD M5.10, Commodity Costs, Daily Allocation and UIG recommencing, when any of the above Exit Criteria are triggered.
- b.) Where the site AQ **has** been reduced to 1, the Vacant status will be removed in line with the updated AQ becoming effective as per the business rules below.

Business Rule 7: Vacant status removal - Capacity Relief

- a) Where the Registered User triggers the exit from the process via an AQ amendment (AQ correction), the Vacant status will be removed by the CDSP in line with the updated AQ (as per the correction request), becoming effective. For the avoidance of doubt this will be effective in line with the existing AQ amendment timelines. For the avoidance of doubt, this exit criteria could be triggered by submission of an “eligible cause” as per TPD G 2.3.21 and where a change in AQ is submitted due to read tolerance as per TPD G 2.3.22.

For the other exit triggers (CoS, SoLR, Class Change, Read or .JOB submitted), the Registered User will have until M-15 Supply Point System Business Days (SPSBDs) the following month of the trigger, to amend the AQ (via the AQ amendment process) to the accurate usage. The Vacant status will be removed by the CDSP in line with the updated AQ (as per the correction request) becoming effective. For the avoidance of doubt, this will be effective in line with the existing AQ amendment timelines.

- b) In the absence of the Registered User amending the AQ as per the above timeline, the CDSP will reinstate the pre-Vacant Rolling and Formula Year AQ (FYAQ). The Vacant status will be removed by the CDSP in line with the pre-Vacant Rolling and FYAQ becoming effective. For the avoidance of doubt, where the CDSP reinstates the pre-Vacant Rolling and FYAQ between the months January – March, the reinstated value will be utilised to set the FYAQ for the next 12 months commencing in April. Further for the avoidance of doubt, the reinstated pre-vacant AQ will be subject to existing AQ correction backstop rules. This means following the point the CDSP reinstates the pre-Vacant AQ, the AQ should remain at this estimate and the next AQ Calculation Month shall be the first month in relation to which a Qualification Meter Reading, with a Read Date not less than 9 months from the reinstated pre-Vacant AQ is submitted.

Supplemental:

It is recognised that this Modification will require additional reporting in the PARR regarding the vacant sites process but should not delay progress of the Modification.

6 Impacts & Other Considerations

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

There are no impacts identified.

Consumer Impacts

Workgroup Participants briefly considered this and concluded there may be more accurate billing for Shippers as the Modification will lead to more accurate AQs. This may not pass through to the customer as many consumers may not be paying as the sites are vacant. Some may see the benefit as they may be paying.

What is the current consumer experience and what would the new consumer experience be?

Impact of the change on Consumer Benefit Areas:	
Area	Identified impact
Improved safety and reliability	None
Lower bills than would otherwise be the case	None
Reduced environmental damage	None

Improved quality of service	
The proposed process will likely see increased visits to Vacant sites to monitor and establish if sites are still in a Vacant state with no access. Workgroup Participants agreed.	Positive
Benefits for society as a whole	None

Cross-Code Impacts

IGT UNC Modification has been raised (IGT168) and was considered at IGT Panel 25 August 2023 and IGT Workstream meeting on 14 September 2023. It will be considered again at IGT UNC October Workstream meeting for final review.

A Workgroup Participant clarified that the Transporter charge relief applies solely to Large Transporters. The Modification does not envisage any changes to IGT transportation charges as part of the IGT UNC Modification.

For further information please see: <https://www.igt-unc.co.uk/modification/igt168/>

EU Code Impacts

None.

Central Systems Impacts

The Modification will impact the Central Data Services Provider. On 28 September 2023 Workgroup reviewed the second version of the ROM.

Rough Order of Magnitude (ROM) Assessment

Cost estimate from CDSP	An enduring solution will cost at least £230,000, but probably not more than £655,000. The higher costs are more likely depending on two factors 1. Choice of solution option – CMS or UK Link (CMS is higher) 2. (To a much smaller extent) Inclusion or not in a scheduled or non-scheduled DDP release. Note UK Link changes would need to be in a major release. Ongoing costs are unknown at this stage however, this will be assessed and confirmed in detailed analysis / design phase.
Timescales	The proposal is likely to need to align with a Major Release. It is likely that this will be November '24 major release or later. Approximately 24 - 28 weeks post Detailed Design Change Pack approval plus around 6 months for industry file format changes. 4 weeks of Post Implementation Support would be recommended. This is subject to DSC Change Management Committee consideration and approval.

The Change Document is XRN 5615 in which the Proposer suggests a DN/Shipper 50/50 funding split. Workgroup Participants confirmed they were happy for DSC Change Management Committee to consider this

suggested split. For further information please see: <https://www.xoserve.com/change/customer-change-register/xrn-5615-establishingamending-a-gas-vacant-site-process-modification-0819/>

The CDSP representative asked whether this Modification warrants systems change development to be allowed to begin before Authority approval, which would be working at risk. Workgroup asked for clarification of how much costs would be committed before Modification approval. This will be taken forward by DSC Change Management Committee.

Performance Assurance Considerations

PAC discussed this Modification at their April 2023 meeting and agreed to share the draft PARR reports with Workgroup on 26 April 2023 (see <https://www.gasgovernance.co.uk/0819/270423>). Workgroup reviewed the draft PARR for UNC Modification 0819 and had no comments on the material presented.

Workgroup noted that the PARR will not be updated with the proposed reports until the Modification is approved.

It is recognised that the Modification will require additional reporting in the PARR regarding the vacant sites process. This should not delay progress of the Modification.

Please see relevant notes in the ROM.

Without appropriate monitoring (and actions resulting from this) there is a risk that sites may remain with vacant status inappropriately.

Panel Questions

What PAC monitoring should be in place for this Modification?

See Section above “Performance Assurance Considerations”.

Workgroup Impact Assessment

A Workgroup Participant suggested an alternative solution at the February 2023 Workgroup meeting which was discussed further at the March meeting:

- The AQ of a vacant site could be reduced to 1 by submitting static reads using a new vacant site read reason.
- The CDSP Subject Matter Experts (SMEs) have advised (at a very high level) that the system and process impacts would be more complex than the solution option of Modification 0819 which has been fed back to the User who suggested this alternative.
- The Workgroup Participant provided their confirmation that they were satisfied with the response received and that they no longer wished to pursue this as an alternative solution option.

Winter Consumption

At Workgroup in March 2023, a discussion ensued around the effect of winter consumption on Business Rule 4 relating to setting the AQ to 1. Workgroup agreed that a User could raise a winter consumption adjustment to reduce the winter consumption value down to 0 ahead of raising the AQ correction. This is the existing process now for Shipper Users. The Proposer agreed to include reference to the winter consumption adjustment process in the ‘Amending a Gas Vacant Site Process Guidance Document’.

Backstop date

Workgroup discussed the need for a backstop for when the CDSP re-instate the pre-vacant rolling AQ and Formula Year Annual Quantity (FYAQ). This would mean that once the Shipper User submits a new read for a previously vacant SMP, the rolling AQ would be immediately pulled back down. The AQ would, therefore, be closer to the vacant AQ value than the re-instated pre-vacant value.

The impact of this would be:

- Reduced commodity charges would re-apply when the rolling AQ significantly reduces. Therefore, despite the commodity stop flag being removed when the vacant status is removed, the SMP would still have an element of commodity relief even though the SMP is no longer vacant.
- Reduction in capacity charges would NOT immediately apply as it is based on the FYAQ. However, if the initial post-vacant read/s were submitted just before the 01 December AQ snapshot, the rolling AQ captured during that snapshot would be more reflective of the vacant AQ, and therefore when the YAQ is set on 01 April the following year, it will be considerably lower than the re-instated values, meaning that an element of capacity relief would reapply despite the SMP not being vacant.

In light of the above, Workgroup came to the view that the re-instated pre-vacant AQ values without a backstop would negate the impact of reinstating the pre-vacant AQ values and decided to include the backstop date mechanism when the CDSP re-instate the pre-vacant AQ.

Business Rule 7 b) now covers the backstop rule.

Workgroup discussed the potential interaction of the legal text for UNC Modifications 0816S and 0819. Ideally, 0816S would be implemented ahead of 0819.

At Workgroup June 2023 the following still needed to be bottomed out:

1. 'Amending a Gas Vacant Site Process Guidance Document' status update – are some of the criteria contained here? UNC Related Document – document needs to be finalised. (should be appended to amended Mod)
 2. CDSP actions in relation to Vacant site designation (tightly specified CDSP validation tests) – update Guidance document and possible FAD statement maybe in BR2
 3. 'reads relevant to the period of vacancy' – update
 4. Propose does not want visibility of Vacant sites in the Gas Enquiry Service (GES) , may want visibility in DDP? and any changes required to the Data Access Matrix (DAM, now part of REC) – update (change proposal?) -paragraph in WGR is needed
- inclusion of IGT supply points - updates to ROM required?

At September 2023 Workgroup, Participants were satisfied that the above points 1-4 have been duly resolved to Workgroup's satisfaction.

August 2023

Workgroup noted it does not have the ability to quantify the number of potentially affected sites. As part of consultation, Panel may wish to request that Parties provide information to Ofgem on the indicative number of sites which initially fall in scope of this Modification. This information may inform the cost benefit analysis.

Workgroup discussed whether there may be a point at which the number of vacant sites should be reviewed, potentially as part of a future UNC Request. Parties may wish to raise this as a report generated by the CDSP or as a further Modification.

Application of Customer Charge (28 September 2023)

A Workgroup Participant asked whether the customer charge element of DN charges would still apply where Business Rule 4 applies. A Workgroup Participant asked whether the Modification would act to give advantage to those sites captured under this Modification. If this Modification places sites into the BAU process and the BAU process means that the SMART and AMR sites do not get charged the DN customer charge, then it is correct that sites captured under this Modification would also not get the customer charge (treated in the same way). However, it is believed that the customer charge may still be applied to Smart and AMR sites then it would also be applied to sites under this modification as part of BAU. Equivalence is sought. The Modification should not change the arrangements for the DN Customer charge.

The CDSP representative clarified, in regard to the LDZ Customer charges for capacity, that under a certain AQ, it is capacity-based and over a certain AQ, it is SOQ-based. This Modification does not change this approach to customer charges.

Any further clarification regarding this process could be sought outside the progress of this Modification as, if it is relevant, it is a general concern rather than specific to this Modification.

Whilst this Modification looks to treat non-SMART and AMR sites as if they were SMART and AMR, it has to be noted that exiting the “vacant site” status will not be managed in the same way. This is due to automatic readings not being received into central systems for sites captured under this Modification. Workgroup acknowledged that receipt of “automatic readings” is actually based on the Supplier submitting the reads and is therefore not guaranteed. Workgroup noted the importance of the roles of the PAFA and PAC and that PAC has been actively discussing the nature of those reports. PAC reporting should help mitigate any risks in this regard.

7 Relevant Objectives

Impact of the Modification on the Transporters’ 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.	None
c) Efficient discharge of the licensee's obligations.	None
d) Securing of effective competition: (i) between relevant Shippers; (ii) between relevant Suppliers; and/or	Positive

(iii) between DN operators (who have entered into transportation arrangements with other relevant gas transporters) and relevant Shippers.	
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

Proposer’s view

By providing Shippers with the ability to reduce Transportation Costs to reflect real time usage it will ensure that Shippers are not paying unnecessary costs, noting that this would be particularly useful to the smaller market participants that might not have access to large amounts of cashflow for unnecessary costs, therefore promoting Relevant Objective d) Securing of effective competition:

- (i) between relevant Shippers;
- (ii) between relevant Suppliers.

Workgroup Assessment of Relevant Objectives

Workgroup Participants recognised that Commodity payments are paid and then reconciliation occurs. This points to parties not paying costs that are not applicable which is positive for competition. The ability to seek relief from capacity costs where they are not applicable is also positive for competition.

The corollary of this is that the DN Allowed Revenue will still be smeared, however over different parties not including the sites which are vacant.

If a vacant site has an advanced and/or smart meter, it would automatically reach the situation where it is not exposed to capacity charges. Sites which become vacant under this Modification are being addressed because without the Modification they are denied the benefit that other customers get as result of having an advanced and/or smart meter i.e. the effect of receiving reads on the rolling AQ over a period would be to reduce the AQ to a nominal level. The Modification gives the option for capacity relief to be accessed after 12 months.

8 Implementation

No implementation timescales are proposed. However, following finalisation of the Modification solution it will be passed to Xoserve for evaluation of the central systems impacts and implementation timescales including progress through the DSC Change Management Committee process.

For the avoidance of doubt, it is expected that it will be implemented as soon as possible.

9 Legal Text

Legal Text has been provided by Cadent Gas and is published alongside this report <https://www.gasgovernance.co.uk/0819>.

Workgroup Assessment

The Workgroup has considered the Legal Text and is satisfied that it meets the intent of the Solution.

Text Commentary

This is published alongside this report <https://www.gasgovernance.co.uk/0819>

Text

This is published alongside this report <https://www.gasgovernance.co.uk/0819>

10 Consultation

Representations were invited from interested parties on 19 October 2023. All representations are encompassed within the Appended Representations section, including any initial representations.

The following table provides a high-level summary of the representations. Of the 9 representations received 8 offered support and 1 provided comments.

Representations were received from the following parties:		
Organisation	Response	Relevant Objectives
Brook Green Supply	Support	d) Positive
Cadent	Support	d) Positive
Centrica	Support	d) Positive
ENGIE	Support	d) Positive
SSE Energy Supply Ltd	Support	d) Positive
SEFE	Support	d) Positive
Scotland Gas Networks Ltd and Southern Gas Networks Ltd	Comments	d) Positive
Utilita Energy Ltd	Support	d) Positive
Wales & West Utilities	Support	d) Positive

Please note that late submitted representations may not be included or referred to in this Final Modification Report. However, all representations received in response to this consultation (including late submissions) are published in full alongside this Report and will be taken into account when the UNC Modification Panel makes its assessment and recommendation.

10 Panel Discussions

Discussion

The Panel Chair summarised that Modification 0819 would seek to provide Shippers with the ability to effectively manage their Settlement Performance Obligations and Transportation Costs for Vacant sites.

Panel Members noted that no initial representations had been submitted and therefore none had been assessed by the Workgroup.

Panel Members reviewed the initial Panel Questions raised and agreed these had been adequately assessed by the Workgroup.

Panel Members considered the representations submitted during the Consultation, noting that, of the 9 representations received, 8 offered support and 1 provided comments.

Panel Members agreed with respondents and the Proposer that this Modification would allow shippers to reduce their gas settlement costs for vacant sites, where access to obtain meter readings cannot be obtained. The charges for vacant sites will be treated in the same way across Class 4 and the customer charge will still apply where it is already applicable.

PAC/PAFA Monitoring required

Panel Members noted that some consultation responses referred to the necessity of robust PAC reporting to monitor compliance (this being an important control in assuring that the Vacant process is used appropriately). Further, there is a need to ensure that the CDSP will implement the necessary system changes, knowledge, and training amongst its employees and subcontractors, so as to ensure that Supply Meter Points with Vacant status requests are effectively validated against the Vacant Site Guidance Document criteria.

Panel Members noted the misgivings expressed in SGN's consultation response:

This modification will be reliant on the PAFA and the PAC introducing robust monitoring of the vacant sites so that the process is discharged correctly. We believe that without the necessary monitoring in place, there is a risk that a site could appear vacant when it is not, so this is an area that must have careful consideration to give industry parties the appropriate confidence in the process to avoid any unintended negative consequences to other related processes such as settlement.

Panel Members sought input from K Elleman, PAC Chair and E Rogers, CDSP representative who gave the following update:

The CDSP has already created a draft Performance Assurance Reports Register (PARR) report to monitor and support the implementation of Modification 0819 and its provisions for vacant sites. PAC reviewed this in April 2023 whilst the Modification was still at Workgroup. If Modification 0819 receives Panel's recommendation to implement, then PAC can finalise the report and subsequently, if the Authority directs implementation, reporting can begin at PAC from the effective implementation date.

Panel Members noted that a draft of the PARR report is part of the documentation associated with the Modification, but this will be finalised by PAC at the appropriate time, ready for implementation.

Panel Members suggested a post-implementation review at Panel. After any decision to implement, Panel requested the PAC Chair to give a quarterly verbal update to Panel. For the avoidance of doubt, any PAC actions will be carried out in any case, outside of Panel governance.

Evidence required to prove thorough vacancy determination

Panel Members noted that some consultation responses included a request that the process by which the additional evidence of attempted contact and investigative work is reported to CDSP be clarified, to ensure that all parties have the same understanding of how this will be done.

Panel Members noted this is a DSC matter and will be covered through the relevant Change Proposal. Some checks are done by the CDSP, some will be Shipper-warranted, which is called out within the Vacant Sites Guidance Document. The process of sharing required information/data to enter a site into the vacant site process will be discussed, agreed, and clarified by DSC Change Management Committee and its consultation processes, at the appropriate point in development. (see Change Proposal [XRN 5615](#)). Where information is Shipper-warranted and needs to be maintained by the Shipper directly, this will be called out.

Panel Members noted PAC can request the Shipper to give an account of its actions through the existing Performance Assurance Framework.

Isolation - unchanged

Panel Members noted that the isolation process will remain independent from and unchanged by this Modification and Shippers will need to isolate where it's correct to do so.

Implementation

Panel Members noted that a consultation response highlighted a Shipper's need for, for example, 6-8 months lead time to ensure their internal systems development work can be carried out and undergo testing. However, Panel Members also noted some consultation responses where the potential for delay in system implementation due to uncertainty in decision-making timelines, coupled with the lead time to develop systems changes is highlighted as having the potential to negatively impact industry and consumers. Therefore, these two aspects should be considered when setting an implementation date, should the Modification be directed for implementation. Panel Members noted that some Shippers may never need to utilise this process, whereas others are waiting for the Modification to be implemented and already have sites which will utilise this process upon implementation. This will be discussed at the DSC Change Management Committee.

Consideration of the Relevant Objectives

Panel Members considered Relevant Objective d) Securing of effective competition between Shippers and/or Suppliers, agreeing with the Proposer and all consultation responses that implementation would have a positive impact because:

- This Modification will reduce charges for Shippers with vacant sites who use the process, levelling the playing field.
- Improved alignment on AQ correction between meter types in the case of vacant sites will remove distortive impacts between Shippers caused by differences in the prevalence of “dumb” meter vacant sites in their portfolios.
- Settlement allocation will be more accurate, which will positively impact the accuracy of the allocation of UIG.

Determinations

Panel Members voted unanimously that no new issues were identified as part of consultation.

Panel Members voted unanimously that there were cross-code impacts associated with Modification 0819.

Panel Members voted unanimously to recommend the implementation of Modification 0819.

12 Recommendations

Panel Recommendation

Panel Members recommended that Modification 0819 should be implemented.

13 Appendices 1-3

Appendix 1: Vacant Site Guidance Document

Appendix 2: Entry & Exit Criteria Slides

Appendix 3: AQ scenarios

14 Appendix 4 Representations

Initial Representations – None

Representation - Brook Green Supply

Representation - Cadent

Representation - Centrica

Representation - ENGIE

Representation - SSE Energy Supply Ltd

Representation - SEFE

Representation - Scotland Gas Networks Ltd and Southern Gas Networks Ltd

Representation - Utilita Energy Ltd

Representation - Wales & West Utilities

Vacant Site Guidance Document

Version 1.0

Document Control

Version	Date	Reason for Change
Version 1.0	28 th September 2023	Awaiting Modification approval; implementation date TBC

Introduction

This document sets out the criteria whereby a Shipper may include a Supply Point in the Gas vacant process. Only Class 4 Non-Daily Metered (NDM) sites are eligible for a Supply Point vacant status to be applied.

Please note that this process will fall into the remit of the Performance Assurance Committee (PAC) and Shippers may be called upon to justify their position.

This is the criteria in which a Shipper may designate a Supply Point as Vacant

1. Site is Live (and)
2. Site is in the Shippers Ownership (and)
3. Site has a Meter installed (and)
4. Site is not Isolated (and)
5. Site is Product Class 4 (and)
 - a. Annually (or) Monthly Read (MRF) (and)
 - b. Small Supply Point (SSP) (or) Large Supply Point (LSP) (and)
 - c. Independent Gas Transporter (IGT) (or) Gas Transporter (GT) (and)
 - d. Standard Meter (DUMB) or Non-active AMR Meter or SMETS Meter with a Non-Active DCC Flag (and)
6. Site is Unoccupied (and)
 - a. Property is not currently being used as a dwelling
 - b. Property is not currently being used as a place of business
7. No Access to Site
 - a. Shipper authorised representative is unable to gain access to the property to read the meter*
 - b. Shipper is unable to contact the Customer for meter readings**
 - c. Customer has not provided meter readings

*Shippers must be able to demonstrate a Shipper authorised representative has attempted to visit and access the property to obtain meter reading(s). There must be two visits, at least 3

months apart but no more than 9 months apart, with the latest visit being within 3 months of requested entry to the Gas Vacant process.

Noting that there must be no other information received or obtained that suggests anything other than a Vacant Status, otherwise the qualifying visits are void.

(and)

** Shipper must proactively make reasonable attempts to identify the owner of the property to obtain meter readings. The following could be seen as proactive attempts to identify the owner of the property to obtain meter readings:

- Checks to see whether the same problems in obtaining meter readings occur for Electricity (noting that this is only possible where the Supplier supplies both Gas and Electricity to the property); or
- Reasonable attempts have been made to contact such bodies as estate agents, letting agents, councils, the land registry etc to find out who the owner is. Where the owner has been identified, attempts have been made, and recorded, to contact the owner and obtain meter readings without success

The Shipper would need to maintain records of the checks outlined above that have been carried out in their monitoring of Vacant sites.

Rejection of Vacant Status

At the time the Shipper requests the CDSP to enter the site into a Vacant Status the CDSP will validate against criteria 1 to 4 and 5a to 5c; the CDSP will reject the request for vacant status where validation of vacant criteria has not been met. A further validation check will be conducted by the CDSP to retrospectively check for Meter readings from the date of the first qualifying No Access visit, as confirmed in the Shipper request, up to and including the date the vacant site request is received. Where readings have been submitted the CDSP will reject the request for vacant status.

Where the CDSP rejects a request for a vacant status the CDSP will notify the shipper of the rejection and the reason as soon as reasonably practical.

Maintain Vacant Status

For a site to remain Vacant, Shipper must be able to demonstrate the Shipper authorised representative has attempted to visit the property to obtain meter readings every 6 months, from the date the Vacant Status was set. The Shipper must also continue to proactively make reasonable attempts to identify the owner of the property to obtain meter readings.

The Shipper would need to maintain records of the checks outlined above that have been carried out in their monitoring of Vacant sites.

AQ Corrections to 1 – Winter Consumption

Please note that any AQ submitted will be subject to current AQ correction validation rules. Noting that a site with a Rolling AQ above 293k will have a Winter Consumption applied. Submitting a AQ amendment to 1 (where the site has a WAR band applied) will cause a rejection that will require resolving before an AQ can be accepted, as you can't have a Winter Consumption that is greater than a sites AQ for a new AQ of '1' the corrected/requested Winter Consumption will need to be '0'

Frequently Asked Questions

Q: Why does the modification only cover Product Class 4 sites?

A: As Modification 0664VVS will class change Product Class 2 and 3 sites to Product Class 4 following a period of poor read performance, and Product Class 1 being considered to be too large in volume for this process, it was agreed that the Vacant process only be applicable to Product Class 4.

Q: Why do you need to have two visits, at least 3 months apart before being able to apply for a Vacant status?

A: The timeline for sites to become valid for a vacant status mirror's very closely the already established Electricity P196 vacant process.

Q: Why does a site have to remain in Vacant status for 12 months before capacity relief can be requested?

A: A communicating SMART meter returning (at least) monthly non advancing reads will bring the AQ down to 1 over a 12-month period. It was the view of the Workgroup that an AQ amendment to 1 can only be applied after 12 months for Vacant sites to remain similar to this process.

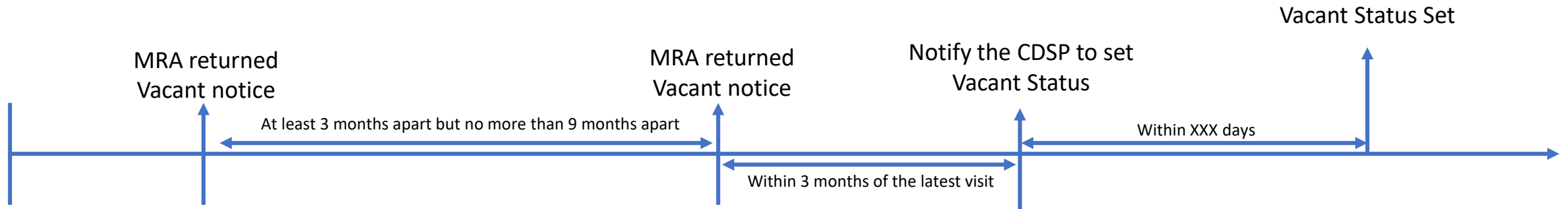
Q: Why is a pre-vacant value re-instated?

A: If the Shipper does not amend the Vacant AQ (AQ of 1) once Exit Criteria has been met the Shipper would continue to receive Capacity relief without a pre-vacant AQ values being reinstated. As this would impact UIG it was the view of the workgroup to reinstate pre-vacant AQs where no action has been taken by the Shipper.

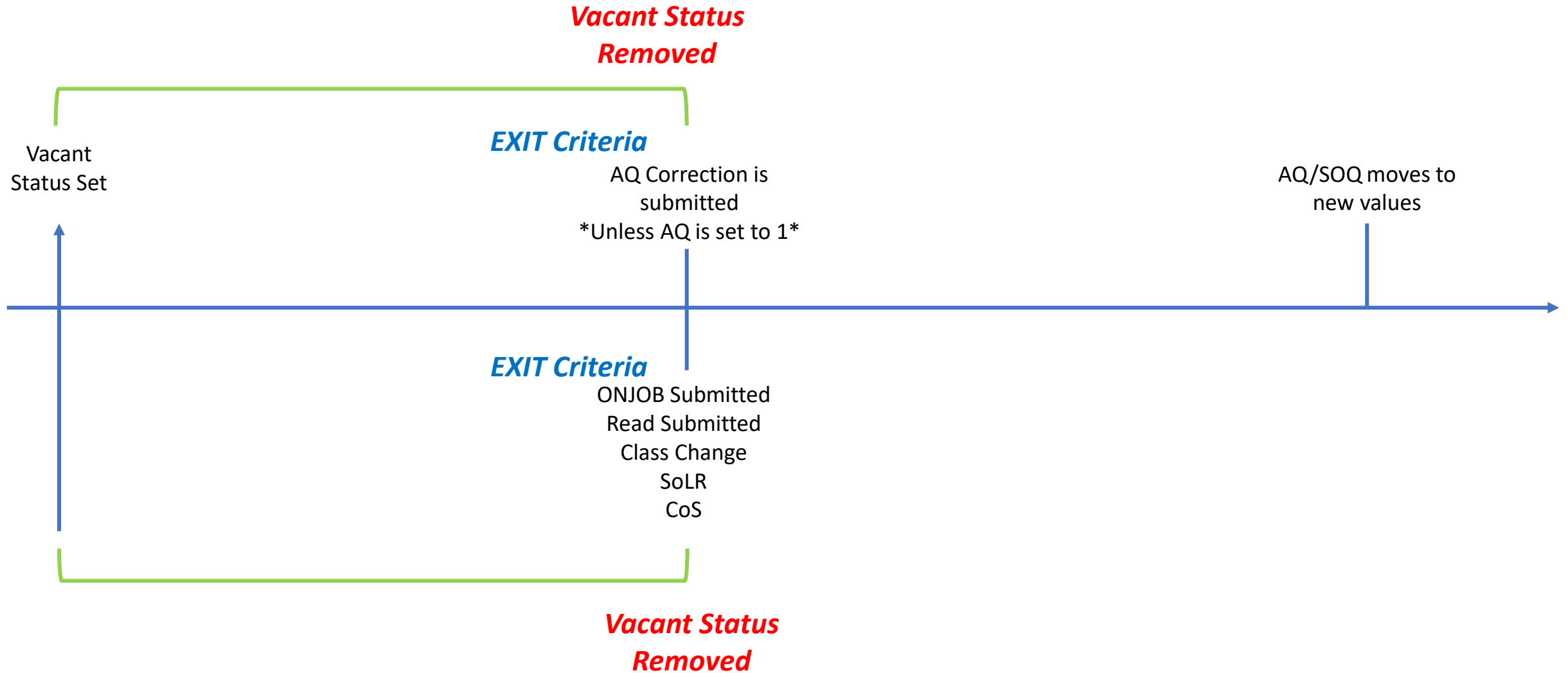
Q: Why does the CDSP reinstated pre-vacant values have a backstop applied?

A: If no backstop was applied this would mean that once the Shipper submits a new read for a previously vacant SMP, the rolling AQ would be immediately pulled back down. The AQ would, therefore, be closer to the vacant AQ value than the re-instated pre-vacant value, negating the impact of reinstating the pre-vacant AQ values.

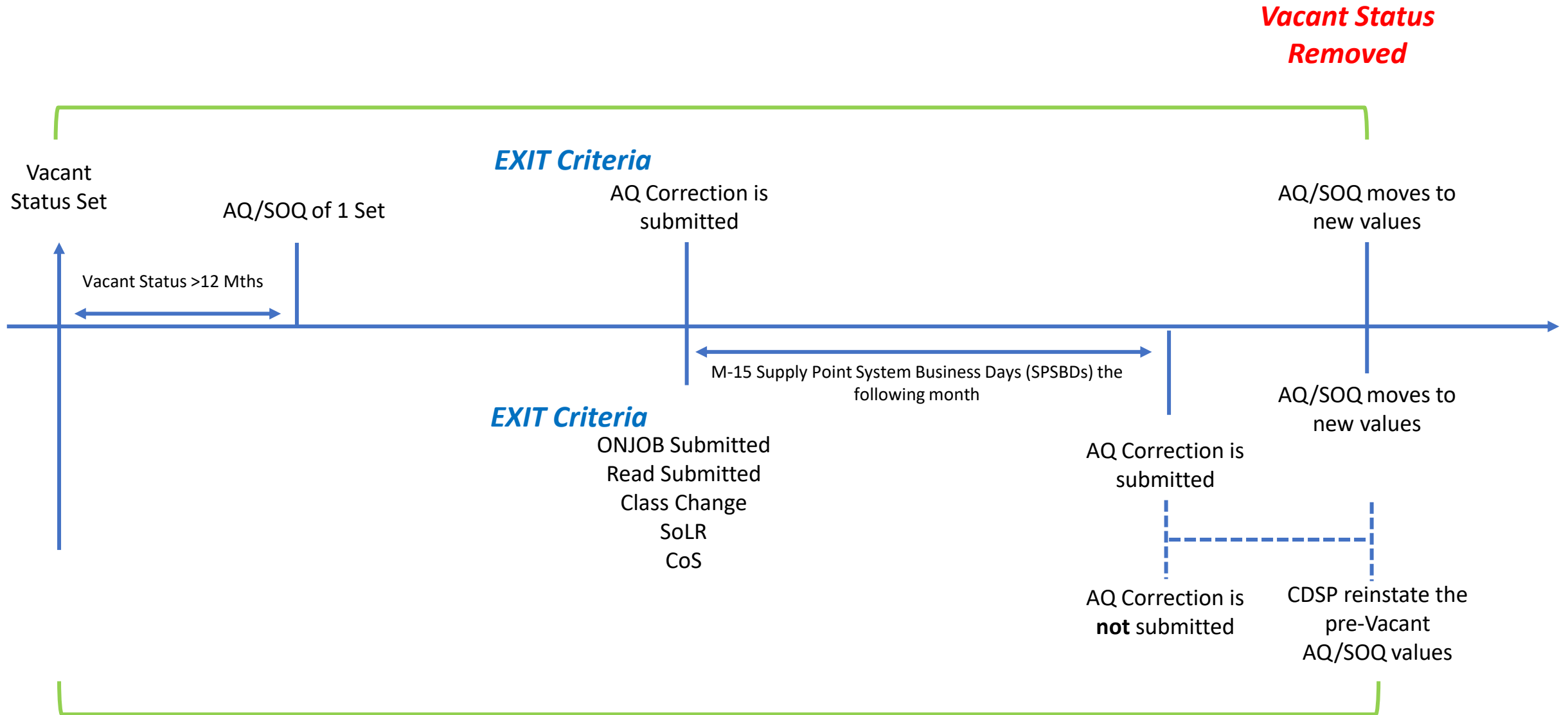
Entry Criteria



Settlement and Commodity Exit Criteria



Capacity Exit Criteria





Modification 0819

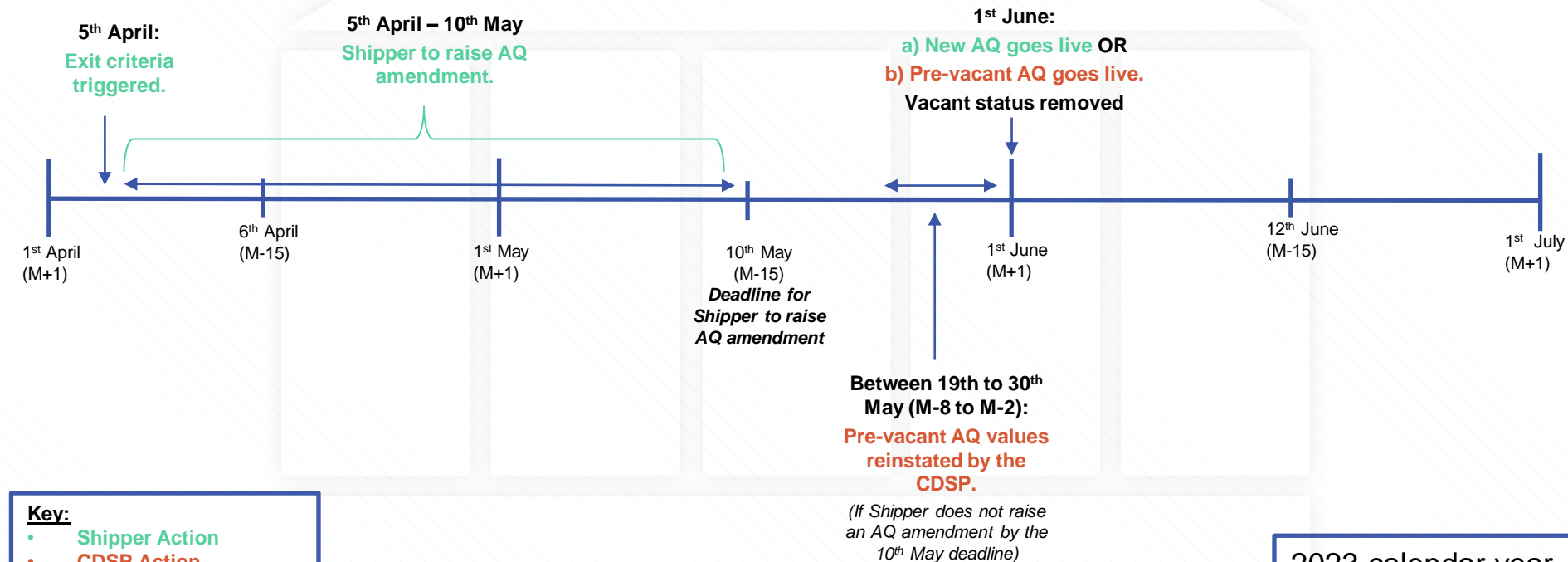
Establishing/Amending a Gas Vacant Site Process

Vacant Site Exit Process – AQ Scenarios

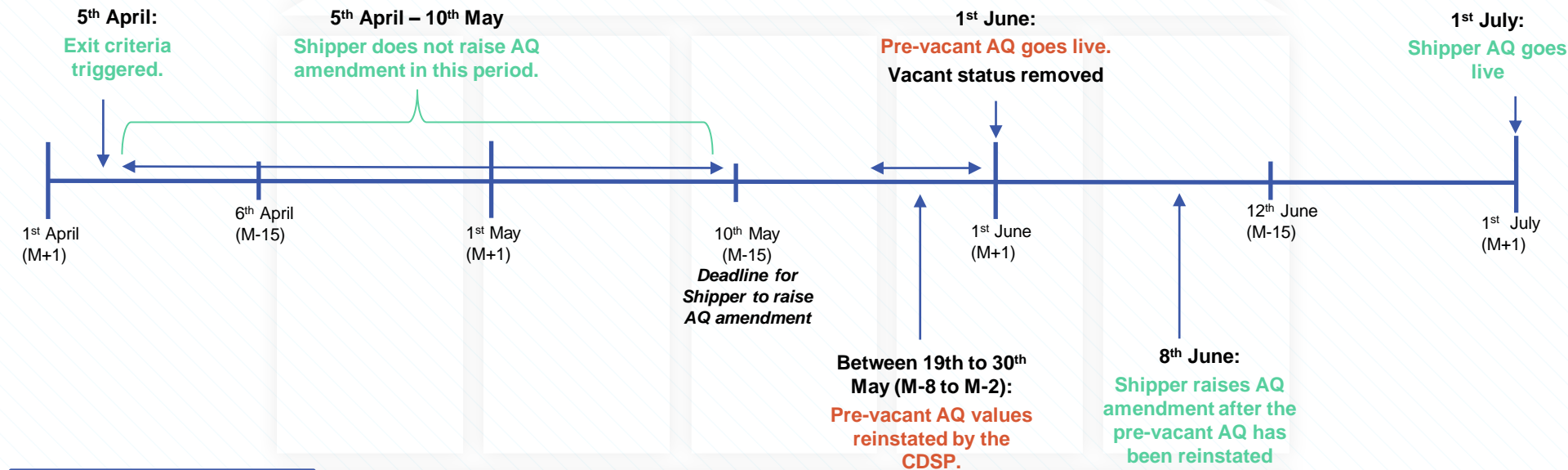
DWG February 2023

Scenario 1 & 2:

AQ correction raised by Shipper within timescales OR
CDSP reinstate pre-vacant AQ values.



Scenario 3: CDSP reinstate pre-vacant AQ values & Shipper raises AQ correction outside timescales.



Key:

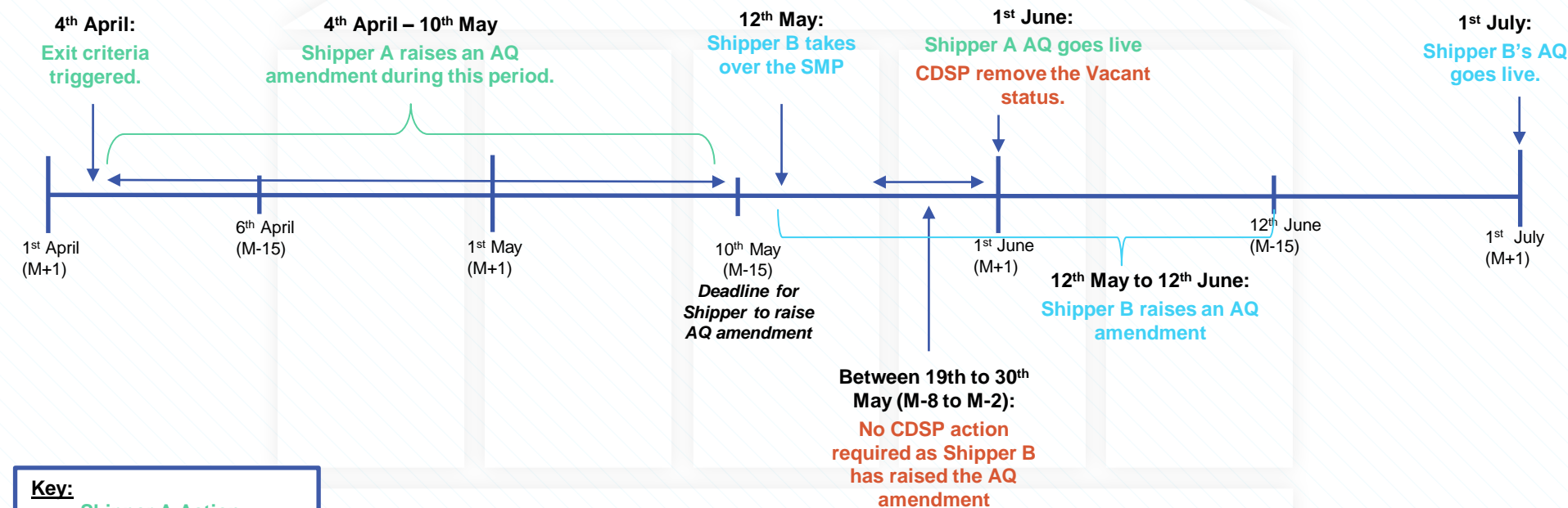
- Shipper Action
- CDSP Action

2023 calendar year

Scenario 4:

Change of Shipper during Exit Process.

Shipper A carries out AQ correction prior to change in ownership to Shipper B.

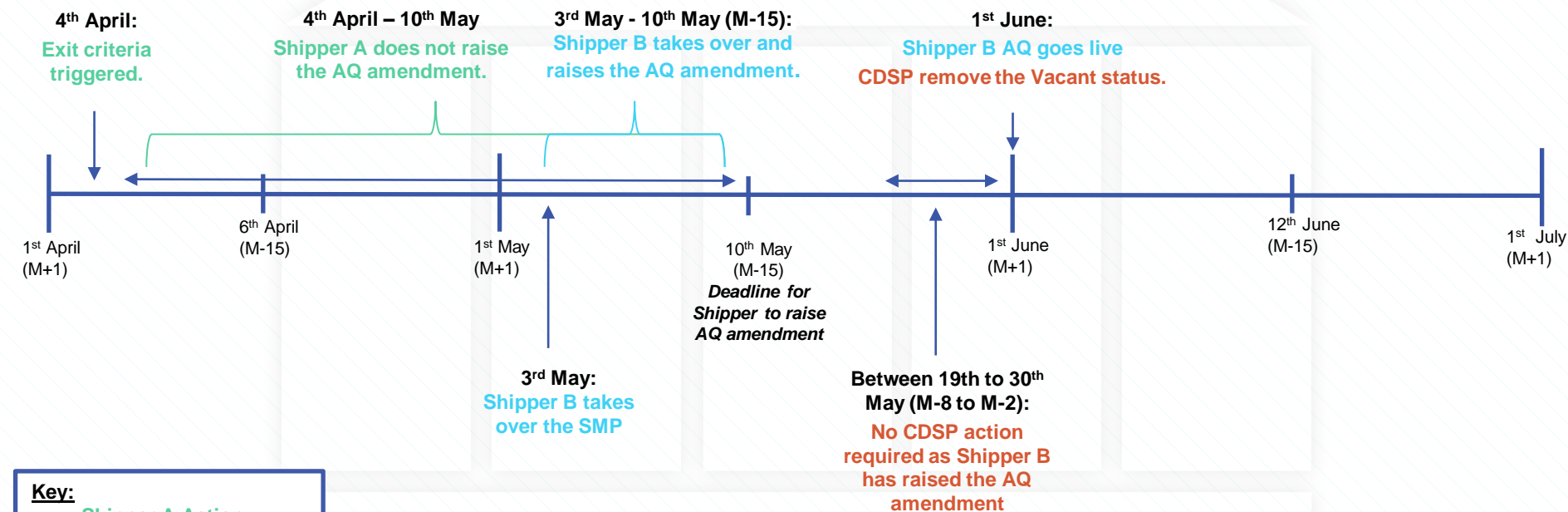


2023 calendar year

Scenario 5:

Change of Shipper during Exit Process.

Shipper B carries out AQ correction within original exit process timescales.



Key:

- Shipper A Action
- Shipper B Action
- CDSP Action

2023 calendar year

Questions from January 2023 Workgroup

Q1) How would the CDSP reinstate the pre-vacant AQ?

A1) We are anticipating that functionality will be developed to reinstate the pre-vacant AQ values. A CDSP generated AQ amendment process is not currently being proposed.

Q2) If the CDSP re-instate the pre-vacant AQ values between Jan-Mar, a requirement has been included that the FY AQ should be derived from the pre-vacant values and not the vacant AQ of 1. Why is this logic not being applied to Shipper AQ corrections?

A2) If a Shipper raises an AQ amendment via the existing process, the original snapshot position is automatically updated, so this requirement is not applicable for Shipper raised AQ amendments. Where the CDSP have to reinstate the pre-vacant AQ, we are not anticipating this is via an AQ amendment therefore this requirement is needed.

Representation - Draft Modification Report UNC 0819 Establishing/Amending a Gas Vacant Site Process

Responses invited by: **5pm on 16 November 2023**

To: enquiries@gasgovernance.co.uk

Please note submission of your representation confirms your consent for publication/circulation.

Representative:	Harry Hailwood
Organisation:	Brook Green Supply
Date of Representation:	16.11.2023
Support or oppose implementation?	Support
Relevant Objective:	d) Positive
Relevant Charging Methodology Objective:	Not Applicable* <i>delete as appropriate</i>

Reason for support/opposition: Please summarise (in one paragraph) the key reason(s)

We are supportive of this modification as it allows for better transparency of those sites which are vacant. This in turn will have a better impact on read performance across Shippers alongside reducing transportation costs.

Implementation: *What lead-time do you wish to see prior to implementation and why?*

We would support implementation as soon as possible.

Impacts and Costs: *What analysis, development and ongoing costs would you face?*

None identified.

Legal Text: *Are you satisfied that the legal text will deliver the intent of the Solution?*

No comment

Are there any errors or omissions in this Modification Report that you think should be taken into account? *Include details of any impacts/costs to your organisation that are directly related to this.*

No comment

Please provide below any additional analysis or information to support your representation

No comment.

Representation - Draft Modification Report UNC 0819 Establishing/Amending a Gas Vacant Site Process

Responses invited by: 5pm on 16 November 2023

To: enquiries@gasgovernance.co.uk

Please note submission of your representation confirms your consent for publication/circulation.

Representative:	Edward Allard
Organisation:	Cadent Gas Limited
Date of Representation:	15 th November 2023
Support or oppose implementation?	Support
Relevant Objective:	d) Positive
Relevant Charging Methodology Objective:	Not Applicable

Reason for support/opposition: Please summarise (in one paragraph) the key reason(s)

Cadent are principally supportive of this modification, as it proposes a solution that, if implemented, would allow a Class 4 Supply Meter Point to more accurately reflect its AQ in line with the process of functioning SMART/AMR Vacant Class 4 Supply Meter Points. We agree that this has the potential to further relevant objective d) (i) – Securing effective competition between relevant shippers.

In particular, this support is based upon the below processes operating effectively as described in the Draft Modification Report:

- The Performance Assurance Committee (PAC) receiving the *additional reporting on the count of Supply Meter Points where the CDSP have been notified of the Vacant criteria, the total count of Supply Meter Points where the Vacant criteria is currently applied, and the durations that Supply Meter Points have held the Vacant status. We believe that this additional reporting is an important control in assuring that the Vacant process is used appropriately.
- That the CDSP will implement the necessary system changes, knowledge, and training amongst its employees and subcontractors, so as to ensure that Supply

Meter Points with Vacant status requests are effectively validated against the Vacant Site Guidance Document criteria.

*NB: We recognise that the Vacant site reports to be shared with PAC, listed in the Draft Modification Report were referenced as “likely to include” and are not finalised at this stage. However, our support for this modification is based on the principle that the finalised reports to be shared with PAC include a sufficient level of detail to enable effective oversight and challenge (where appropriate).

Implementation: *What lead-time do you wish to see prior to implementation and why?*

The modification should be implemented as soon as reasonably practicable following authority decision and the enactment of the relevant CDSP system changes.

Impacts and Costs: *What analysis, development and ongoing costs would you face?*

No costs or impacts identified.

Legal Text: *Are you satisfied that the legal text will deliver the intent of the Solution?*

As Legal Text provider we are satisfied that it meets the intent of the Solution.

Are there any errors or omissions in this Modification Report that you think should be taken into account? *Include details of any impacts/costs to your organisation that are directly related to this.*

None

Please provide below any additional analysis or information to support your representation

Nothing further to add.

We trust that this information will assist in the compilation of the Final Modification Report.

Please contact me on 07891670444 (Edward.allard@cadentgas.com) should you require any further information.

Representation - Draft Modification Report UNC 0819 Establishing/Amending a Gas Vacant Site Process

Responses invited by: 5pm on 16 November 2023

To: enquiries@gasgovernance.co.uk

Please note submission of your representation confirms your consent for publication/circulation.

Representative:	Kevin Woollard
Organisation:	Centrica
Date of Representation:	16 th November 2023
Support or oppose implementation?	Support
Relevant Objective:	d) Positive
Relevant Charging Methodology Objective:	Not Applicable* <i>delete as appropriate</i>

Reason for support/opposition: Please summarise (in one paragraph) the key reason(s)

By providing Shippers with the ability to reduce Transportation Costs to reflect actual usage it will ensure that Shippers are not paying unnecessary costs, noting that this would be particularly useful to the smaller market participants that might not have access to large amounts of cashflow for unnecessary costs, therefore promoting Relevant Objective d) Securing of effective competition: (i) between relevant Shippers; (ii) between relevant Suppliers. Specifically, improved alignment on AQ correction between meter types in the case of vacant sites will remove distortive impacts between Shippers caused by differences in the prevalence of “dumb” meter vacant sites in their portfolios.

Implementation: What lead-time do you wish to see prior to implementation and why?

The modification should be implemented as soon as reasonably possible following evaluation by the Xoserve.

Impacts and Costs: What analysis, development and ongoing costs would you face?

We do not anticipate any significant costs.

Legal Text: Are you satisfied that the legal text will deliver the intent of the Solution?

We are satisfied that the legal text will deliver the intent of the solution.

Are there any errors or omissions in this Modification Report that you think should be taken into account? *Include details of any impacts/costs to your organisation that are directly related to this.*

We have not identified any errors or omissions.

Please provide below any additional analysis or information to support your representation

Some additional points regarding this modification to support its progression are detailed below.

Performance Assurance

Appropriate checks and balances have been developed to ensure there are robust processes for qualification and maintenance of Vacant site status. The design of the Modification includes detailed criteria (The criteria is drawn from the already established Electricity P196 Vacant process) which a Shipper must follow and evidence for a site to be entered and remain in a Vacant status.

As the process impacts settlement it will fall under the now established Performance Assurance Committee and associated frameworks.

The UNC related guidance document for this modification includes “Please note that this process will fall into the remit of the Performance Assurance Committee (PAC) and Shippers may be called upon to justify their position”.

Safety

The criteria in Modification 0819 states that once a site has been entered into a Vacant status the Shipper must attempt to visit the Meter every 6 months. We believe this creates a more frequent and robust process than is currently in place for these Meters to be visited and monitored to address any potential safety concerns.

Isolation and the Vacant Sites Process

Modification 0819 is designed for Vacant sites with no access to the Meter. The isolation process will remain independent from and unchanged by this modification and Shippers will need to isolate where it's correct to do so.

Alignment across meter types

Modification 0819 provides Shippers access to commodity, capacity and settlement read obligation relief for Vacant sites where Meter readings cannot be obtained. This modification is for Standard and Non-Active SMART Meters and provides access to the same relief as an Active SMART Meter would gain after polling non incrementing reads for 12 months: an AQ of 0.

Alignment with Electricity Processes

This proposal brings the gas market in line with processes already established within the electricity market for vacant sites.

Representation - Draft Modification Report UNC 0819 Establishing/Amending a Gas Vacant Site Process

Responses invited by: 5pm on 16 November 2023

To: enquiries@gasgovernance.co.uk

Please note submission of your representation confirms your consent for publication/circulation.

Representative:	Colin Paine
Organisation:	ENGIE
Date of Representation:	16 November 2023
Support or oppose implementation?	Support
Relevant Objective:	d) Positive
Relevant Charging Methodology Objective:	Not Applicable

Reason for support/opposition: Please summarise (in one paragraph) the key reason(s)

We are supportive of this modification for the following reasons:

- It will promote better competition between Shippers by removing the current situation where some Shippers with high numbers of vacant sites that have no remote metering present continue to incur transportation charges, as reads cannot be obtained to adjust AQs to a *de minimis* level, whereas other Shippers with fewer of these sites will not see the same impact
- It will improve the fairness of the Performance Assurance Framework by ensuring that Shipper performance is not negatively impacted simply due to portfolio make-up where a Shipper has a large number of vacant sites
- It would align treatment of vacant sites in the gas industry with the established approach for such sites in the electricity industry

Implementation: *What lead-time do you wish to see prior to implementation and why?*

We note the aspiration to implement this in the November 2024 release and accept that due to the need to develop reporting and potentially changes to UK Link or CMS to implement the solution there will be a significant lead time. We do however view this as an important and beneficial change and would hope that the timetable would not slip beyond this.

Impacts and Costs: *What analysis, development and ongoing costs would you face?*

Aside from our funding share of the costs of the change at industry level, we would not see significant implementation costs, these would mainly be testing the changes to systems required and training staff on the new process for declaring vacant sites. Once established as vacant and remaining in that state, there would be a cost and efficiency benefit as these sites would cease to be included in settlement remediation work and allow resource to be focused on sites where reads can be obtained.

Legal Text: *Are you satisfied that the legal text will deliver the intent of the Solution?*

We have not reviewed the legal text.

Are there any errors or omissions in this Modification Report that you think should be taken into account? *Include details of any impacts/costs to your organisation that are directly related to this.*

No comment

Please provide below any additional analysis or information to support your representation

No comment

SEFE Energy Representation Draft Modification Report

Modification 0819 - Establishing/Amending a Gas Vacant Site Process

1. **Consultation close out date:** 16th November 2023
2. **Respond to:** enquiries@gasgovernance.co.uk
3. **Organisation:**
SEFE Energy
5th Floor
8 First Street
Manchester
M15 4RP
4. **Representative:**
Steve Mulinganie
Regulation Manager
stevemulinganie@sefe-energy.com
0799 097 2568
5. **Date of Representation:** 16th November 2023
6. **Do you support or oppose Implementation:**
We **Support** implementation of this Modification
7. **Please summarise (in 1 paragraph) the key reason(s) for your position:**
This Modification gives Shippers the ability to more efficiently manage Settlement Performance Obligations and reduce Transportation Costs for relevant Vacant sites
8. **Are there any new or additional Issues for the Modification Report:**
No
9. **Self-Governance Statement Do you agree with the status?**
Not Applicable
10. **Relevant Objectives:**
How would implementation of this modification impact the relevant objectives?
We **agree** with the proper that this Modification is **positive in respect of relevant objective [d]** it will ensure that Shippers are not paying unnecessary costs.

11. Consumer Benefits:

Do you have any comments on the Consumer Benefits?

We believe the Modification is positive as the proposed process will likely see increased visits to Vacant sites to monitor and establish if sites are still in a Vacant state with no access

12. Impacts & Costs:

What analysis, development and on-going costs would you face if this modification was implemented?

We **have not** identified any significant costs associated with the implementation of this modification

13. Implementation:

What lead times would you wish to see prior to this modification being implemented, and why?

We would expect the modification to be **implemented as soon as reasonably practicable** following a decision. We believe more certainty on the actual delivery dates for Modifications should be given to set expectations and avoid unreasonable delays between a decision being made by the Authority and the implementation of the Modification. As we have seen recently with other proposals some changes that have received Authority Direction have had excessively long implementation timelines which in some cases have ultimately led them to become redundant.

14. Legal Text:

Are you satisfied that the legal text will deliver the intent of the modification?

We note that the **workgroup has considered the Legal Text and Commentary and is satisfied** that it meets the intent of the Solution

15. Modification Panel Questions:

Do you have any comments on any questions raised by the Modification Panel?

We note the Workgroup response and have **no further comments**

16. Performance Assurance Considerations:

Do you have any comments?

It is recognised that the Modification will require additional reporting in the PARR regarding the vacant sites process. PAC and that PAC has been actively discussing the nature of those reports

17. Is there anything further you wish to be taken into account?

Please provide any additional comments, supporting analysis, or other information that you believe should be taken into account or you wish to emphasise.

No

Representation - Draft Modification Report UNC 0819 Establishing/Amending a Gas Vacant Site Process

Responses invited by: 5pm on 16 November 2023

To: enquiries@gasgovernance.co.uk

Please note submission of your representation confirms your consent for publication/circulation.

Representative:	David Mitchell
Organisation:	Scotland Gas Networks Ltd and Southern Gas Networks Ltd
Date of Representation:	16 th November 2023
Support or oppose implementation?	Comments
Relevant Objective:	d) Positive
Relevant Charging Methodology Objective:	Not Applicable* <i>delete as appropriate</i>

Reason for support/opposition: Please summarise (in one paragraph) the key reason(s)

SGN would like to provide the following comments in this consultation that we feel are important for the proposer to consider and ultimately develop with the PAFA and the PAC so that this proposal can be delivered successfully.

This modification proposes that once a supply point has met the vacant criteria the shipper will be able to instruct the CDSP to remove the settlement obligations that it has which will curtail transportation costs while the vacant site criteria is met. The process that this modification will introduce will treat dumb metered supply points in the same way as Smart and AMR supply points when a site becomes vacant.

We would like to highlight that this modification will be reliant on the PAFA and the PAC introducing robust monitoring of the vacant sites so that the process is discharged correctly. We believe that without the necessary monitoring in place there is a risk that a site could appear vacant when it is not so this is an area that must have careful consideration to give industry parties the appropriate confidence in the process to avoid any unintended negative consequences to other related processes such as settlement.

Implementation: *What lead-time do you wish to see prior to implementation and why?*

The modification should be implemented as soon as possible following an authority decision subject to any necessary central system updates.

Impacts and Costs: *What analysis, development and ongoing costs would you face?*

SGN does not envisage any development costs or ongoing cost to its internal systems.

Legal Text: *Are you satisfied that the legal text will deliver the intent of the Solution?*

We are satisfied with the legal text.

Are there any errors or omissions in this Modification Report that you think should be taken into account? *Include details of any impacts/costs to your organisation that are directly related to this.*

None identified.

Please provide below any additional analysis or information to support your representation

None identified.

Representation - Draft Modification Report UNC 0819 Establishing/Amending a Gas Vacant Site Process

Responses invited by: **5pm on 16 November 2023**

To: enquiries@gasgovernance.co.uk

Please note submission of your representation confirms your consent for publication/circulation.

Representative:	Mark Jones
Organisation:	SSE Energy Supply Limited
Date of Representation:	16 November 2023
Support or oppose implementation?	Support
Relevant Objective:	d) Positive
Relevant Charging Methodology Objective:	Not Applicable

Reason for support/opposition: Please summarise (in one paragraph) the key reason(s)

There are a significant number of sites that have become vacant, where the relevant gas shipper or supplier is unable to access the property to obtain meter readings. In many cases there is no longer a customer that can be contacted. Gas shippers are unable to effectively reduce their cost exposure to these sites as meter readings are required in order to lower AQ values, which in turn leads to lower gas settlement costs. This modification will allow shippers to reduce their gas settlement costs for vacant sites where access to obtain meter readings cannot be obtained.

Implementation: *What lead-time do you wish to see prior to implementation and why?*

Implementation should be as soon as possible.

Impacts and Costs: *What analysis, development and ongoing costs would you face?*

No significant costs identified.

Legal Text: *Are you satisfied that the legal text will deliver the intent of the Solution?*

Yes.

Are there any errors or omissions in this Modification Report that you think should be taken into account? *Include details of any impacts/costs to your organisation that are directly related to this.*

No.

Please provide below any additional analysis or information to support your representation

Representation - Draft Modification Report UNC 0819 Establishing/Amending a Gas Vacant Site Process

Responses invited by: **5pm on 16 November 2023**

To: enquiries@gasgovernance.co.uk

Please note submission of your representation confirms your consent for publication/circulation.

Representative:	Kevin Clark
Organisation:	Utilita Energy Ltd NZ 17/11/23
Date of Representation:	07/11/2023
Support or oppose implementation?	Support
Relevant Objective:	d) Positive – This will reduce Shipper overheads, enabling leaner operation which can help drive competition between them, especially for smaller Shippers that may not have the capability to hold large cash reserves.
Relevant Charging Methodology Objective:	Not Applicable* <i>delete as appropriate</i>

Reason for support/opposition: Please summarise (in one paragraph) the key reason(s)

There are many instances where Shippers/Suppliers are unable to access sites to obtain meter readings. The absence of a means to remove such sites from Shippers' Settlement and Commodity obligations is both operationally and economically inefficient. The criteria proposed in the Vacant Site Guidance Document provide a robust means of ensuring Shippers undertake all reasonable steps prior to utilising such a process – meaning that the robustness of the current process remains, and this new process introduces new means of dealing with sites where usual means have been exhausted. In short, this proposal does not detract from current processes and introduces only benefits.

A similar process has existed under electricity arrangements for many years and offers only improvements to accuracy of associated processes.

Introducing a vacant site process will allow Shippers to settle accurately by reflecting the real status of properties in their portfolio, reducing costs for these sites, which will also

have a knock on benefit to anything that relies on accurate consumption data, such as UIG.

The removal of Settlement Performance Obligations and Transportation Costs on Shippers with vacant sites will reduce overheads and improve the accuracy of data being submitted for settlement purposes.

The modification offers adequate control and oversight to CDSP to ensure that this proposal would not reduce Shipper/Supplier efforts to obtain meter readings.

Implementation: *What lead-time do you wish to see prior to implementation and why?*

We require 6 – 8 months lead time in order to ensure the development work can be carried out and undergo testing

Impacts and Costs: *What analysis, development and ongoing costs would you face?*

Our implementation costs would be in the range of £25-50k – primarily resource costs for design, build and test activities.

Legal Text: *Are you satisfied that the legal text will deliver the intent of the Solution?*

We are satisfied that the Working Group has reviewed the legal text extensively and have no further comments.

Are there any errors or omissions in this Modification Report that you think should be taken into account? *Include details of any impacts/costs to your organisation that are directly related to this.*

We are satisfied that the modification report is complete.

Please provide below any additional analysis or information to support your representation

We are still confirming the number of sites that we will be conducting the first of the two required site visits and attempting to identify and contact the persons responsible for the supply in order to determine vacancy under the guidance set out in the document if this process were to be implemented. We will be able to provide these figures shortly.

Additionally, we request that the process of providing the additional evidence of attempted contact and investigative work to CDSP be clarified to ensure that all parties have the same understanding of how this will be done.

Representation - Draft Modification Report UNC 0819 Establishing/Amending a Gas Vacant Site Process

Responses invited by: **5pm on 16 November 2023**

To: enquiries@gasgovernance.co.uk

Please note submission of your representation confirms your consent for publication/circulation.

Representative:	Tom Stuart
Organisation:	Wales & West Utilities
Date of Representation:	6.11.23
Support or oppose implementation?	Support
Relevant Objective:	d) Positive
Relevant Charging Methodology Objective:	Not Applicable

Reason for support/opposition: Please summarise (in one paragraph) the key reason(s)

WWU supports this modification as we agree with the principle of aligning the proposed vacant status criteria within the AQ correction process to treat dumb metered sites in the same way as Smart and AMR sites. We believe this modification is positive in furthering relevant objective d) Securing of effective competition: (i) between relevant Shippers.

Our support is based upon the outcome of workgroup discussions:

Application of the customer charge - It was confirmed in Workgroup that as this modification introduces a change to the vacant status criteria, and does not alter the AQ correction process itself, the charges for vacant sites will be treated in the same way across class 4 and the customer charge will still apply where it is already applicable.

Reporting – We would also like to highlight that the role of the PAFA and PAC is integral to the correct use of the new vacant status criteria. There is a risk that without sufficient proactive monitoring and periodic validation of a vacant sites eligibility a site could incorrectly remain vacant. We therefore support the development of PARR reports to monitor compliance.

Implementation: What lead-time do you wish to see prior to implementation and why?

The modification should be implemented as soon as possible following a decision from the authority.

Impacts and Costs: *What analysis, development and ongoing costs would you face?*

None

Legal Text: *Are you satisfied that the legal text will deliver the intent of the Solution?*

Yes

Are there any errors or omissions in this Modification Report that you think should be taken into account? *Include details of any impacts/costs to your organisation that are directly related to this.*

None

Please provide below any additional analysis or information to support your representation

None