UNC 0635A:

Mod Title: Reforms to incentivise accurate and timely DM reads and to remove the Transporter Class 1 read obligation

Proposer: Richard Pomroy

Panel Date: 18th January 2018

Why change?

- 0635 proposes:
  - An increase of scheduling charges to 10% of SAP (from the current 1%) and a reduction in the tolerance before scheduling charges are levied to 3% for all DM sites.
  - Extension of the 97.5% read submission target to both Class 1 and Class 2 sites, with an incentive
- The key addition is the removal of the transporter obligation to provide Class 1 reads
- There are organisations that can provide a Class 1 read service and who provide a Class 2 read service and it is appropriate to open Class 1 reads to competition
- 0635 imposes a second liability on DNs for failures to provide a Class 1 read. By making Shippers responsible for both Class 1 reads and Class 2 reads it removes any dispute over which party was responsible for any Class 1 read failure

Options

- The alternative is to leave Class 1 read provision as a monopoly DN service
- An UNC modification is required to change this

Solution

- NTS directly connected sites and DN sites that are telemetered are excluded from these proposals
- The responsibility for Class 1 reads will transfer to Shippers
- The process for Class 1 reads will be identical to that for Class 2 reads
- Current arrangements peculiar to Class 1 such as the read submission deadlines, provision of within day reads will be removed
- DNs will have the right to install dataloggers "first in line" for network management purposes

Recommended Steps

- The Proposer recommends that this modification should be:
  - Not subject to self-governance because it will have a significant effect on competition in commercial activities related to, the shipping, transportation or supply of gas (metering plus the impact of 0635)
  - Workgroup assessment to develop the modification for 4 months
- The Proposer took the view that this is an alternative as in the area of the Class 1 overall read calculation % the legal text for 0635 and 0635A will probably differ and implementing 0635 followed by 0635A would not be efficient