





UNC Workgroup Report		At what stage is this document in the process?
<h1>UNC 0632S:</h1> <h2>Shipper asset details reconciliation</h2>		<div>01 Modification</div> <div>02 Workgroup Report</div> <div>03 Draft Modification Report</div> <div>04 Final Modification Report</div>
<b>Purpose of Modification:</b> This modification seeks to improve the asset data held by the CDSP on behalf of industry parties		
	The Workgroup recommends that this modification should be: <ul style="list-style-type: none"> <li>subject to self-governance</li> <li>issued to consultation.</li> </ul> The Panel will consider this Workgroup Report on <b>15 February 2018</b> . The Panel will consider the recommendations and determine the appropriate next steps.	
	High Impact: None	
	Medium Impact: Shippers	
	Low Impact: CDSP	

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**Any questions?**

Contact:

**Joint Office of Gas Transporters**



[enquiries@gasgovernance.co.uk](mailto:enquiries@gasgovernance.co.uk)



**0121 288 2107**

Proposer:

**Tim Hammond**



[tim.hammond@coronaenergy.co.uk](mailto:tim.hammond@coronaenergy.co.uk)



telephone:  
**01923 476 870**

Transporter:

**Cadent**



[Chris.Warner@cadentgas.com](mailto:Chris.Warner@cadentgas.com)



**01926 653541**

Systems Provider:

**Xoserve**



[commercial.enquiries@xoserve.com](mailto:commercial.enquiries@xoserve.com)

Other:

**Gareth Evans**



[gareth@waterswye.co.uk](mailto:gareth@waterswye.co.uk)



telephone

**07500 964447**

## 1 Summary

### What

Latest BEIS statistics indicate that there are over 2 million gas meters with smart functionality currently installed. The Allocation of Unidentified Gas Expert (AUGE) indicated earlier this year that only 700,000 sites have been registered with Xoserve as having smart meters. Similarly there are less than 1,000 sites registered with Automated Meter Reading (AMR) devices.

### Why

There is a severe under-recording of the presence of Smart Meters or AMR devices at sites. This restricts the AUGE in undertaking a robust assessment of the sources of Unidentified Gas (UG) and also impedes shippers when attempting to understand what meter type is currently installed at the site. It will also make verification of compliance with the Competition and Markets Authority (CMA) requirement for every site with Smart or AMR meters to submit reads monthly, very difficult to verify.

### How

Shippers are to be obliged to record whether an AMR or Smart Meter is at the site. Xoserve will be required to report within 3 months of the modification being implemented the number of sites in each End User Category (EUC) Band that has either an AMR or Smart Meter installed.

## 2 Governance

### Justification for Self-Governance

Panel determined the modification is unlikely to have a material effect as it simply places an obligation on shippers to update Xoserve with information they already have.

Modification 0632S will therefore follow self-governance procedures.

### Requested Next Steps

This modification should:

- be considered a non-material change and subject to self-governance
- be issued to consultation.

The Workgroup agreed with the Panels view on materiality, as this modification is unlikely to impact current Shipper or Supplier obligations or commercial arrangements for the provision of meter data.

## 3 Why Change?

At present the obligation on Shippers to indicate to notify to the CDSP whether a site has a Smart or AMR device fitted would benefit from clarification. Such information is crucial for a number of reasons:

- Shipper compliance verification for CMA remedies regarding meter readings. Facilitation of more accurate assessment by the AUGE on whether meter types affect UIG.

- Facilitation of easier identification by shippers as to whether a site has Smart or AMR equipment installed.

This limits a number of industry processes, such as assessment of compliance with industry requirements and constrains activities in the market.

## 4 Code Specific Matters

### Reference Documents

The Energy Market Investigation (Gas Settlement) Order 2016.

### Knowledge/Skills

None

## 5 Solution

Modification of the UNC is required to:

1. Amend the defined terms contained within TPD M1.2.2 as follows:
  - Introduce a new definition; Smart Metering System as contained within Supply Licence Standard Condition 1.
    - Reflect that the relevant Smart Metering System may be designated as SMETS1 or SMETS2 as defined within the Smart Metering Equipment Technical Specifications version 2.
  - To introduce a new definition; Advanced Meter as contained within Supply Licence Standard Condition 12.22.
    - Reflect that an Advanced Meter may be installed at a domestic or non-domestic premises in accordance with the relevant Supply Licence Standard Conditions.
2. Amend the existing provisions in TPD M2.1.13 and M2.1.14 to require Shipper Users to notify the CDSP of relevant Meter Information including where relevant identification of whether the Supply Meter is SMETS1 or SMETS2 pertaining to a Smart Metering System, Advanced Meter present at a Non-Domestic Supply Meter Point or Advanced Meter present at a Domestic Supply Meter Point (as defined in 1.) upon the Registered User becoming aware of the existence of such at the relevant Supply Meter Point. For the avoidance of doubt, information regarding Smart Meters will be provided in accordance with Annex M-1. Information regarding Advanced Meters will be provided in accordance with existing UK link manual information.
3. Introduce a new report to be run by Xoserve and provided to shippers within 3 calendar months of implementation which at an aggregated industry level set out the following:
  - the number of Smart Meters SMETS1, existing at relevant Supply Meter Points.
  - the number of Smart Meters SMETS2, existing at relevant Supply Meter Points.
  - The number of Advanced Meters at non-domestic premises existing at relevant Supply Meter Points

- or Advanced Meters present at a 'domestic' premise, existing at relevant Supply Meter Points.

## 6 Impacts & Other Considerations

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

There is no impact on any other industry change or the SCR.

### Consumer Impacts

Consumer Impact Assessment	
Criteria	Extent of Impact
Which Consumer groups are affected?	No direct consumer impacts identified.
What costs or benefits will pass through to them?	Not applicable
When will these costs/benefits impact upon consumers?	Not applicable
Are there any other Consumer Impacts?	Implementation might reduce the number of erroneous visits to Consumers premises to confirm if a Smart Meter is present.

### Cross Code Impacts

There are no known impacts on the Supply Point Administration Agreement (SPAA) processes.

The Workgroup noted that the iGT UNC is to be reviewed should this modification be implemented to identify if there are any associated impacts.

### EU Code Impacts

There is no impact on any EU energy code.

### Central Systems Impacts

No Central System impacts have been identified. Xoserve have advised that the report required by this modification is to be provided at no additional cost.

### Workgroup Impact Assessment

The Workgroup noted that subject to the reporting clarifications set out in Section 11 below, no additional impacts have been identified.

### Rough Order of Magnitude (ROM) Assessment

A ROM is not required as there are no Central System Impacts.

## 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.	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 (iii) between DN operators (who have entered into transportation arrangements with other relevant gas transporters) and relevant shippers.	None
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.	Positive
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

Reliable reporting of the presence of a Smart or AMR meters at a site should improve a number of Code processes, such as compliance with CMA remedies (which are expected to be formally implemented into the UNC), AUG activities and maintenance of industry data. Therefore this modification furthers Relevant Object f) Promotion of efficiency in the implementation and administration of the Code.

## 8 Implementation

As self-governance procedures are proposed, implementation could be sixteen business days after a Modification Panel decision to implement, subject to no Appeal being raised.

## 9 Legal Text

Legal Text has been provided by Cadent and is published alongside this report. The Workgroup has considered the Legal Text and is satisfied that it meets the intent of the Solution.

## 10 Recommendations

### Workgroup's Recommendation to Panel

The Workgroup asks Panel to agree that:

- This self-governance modification should proceed to consultation.

## 11 Appendices

### **Requirements for Reporting as a consequence of UNC Modification 0632 - SHIPPER ASSET DETAILS RECONCILIATION.**

The Modification seeks to clarify the basis on which Shippers are obliged under licence to notify the Transporters of equipment installed at the consumer's premises.

The text requires the CDSP to provide a report within 3 months of the implementation of the modification.

The legal text sets out the structure of the report:

2.1.15 Within 3 months of the [implementation of 0632 the] CDSP ... shall provide to the Shipper Users a report which sets out the following at an aggregated industry level:

- (a) the number of Smart Meters at relevant Supply Meter Points that have been designated with the technical specification SMETS1;
- (b) the number of Smart Meters at relevant Supply Meter Points that have been designated with the technical specification SMETS2;
- (c) the number of Advanced Meters at relevant Supply Meter Points that have been installed at Domestic Premises; and
- (d) the number of Advanced Meters at relevant Supply Meter Points that have been installed at Non-Domestic Premises

The UK Link system records the presence of Smart Metering Systems and Advanced Metering in the Meter Mechanism of the Meter Asset, and also the presence of an Automated Meter Reading (AMR) Device.

Within the Meter Mechanism there are three Codes – NS, S1 and S2. S1 and S2 indicate a Smart Metering Equipment Technical Specification of SMETS 1 and SMETS 2 respectively. These will equate to the reporting lines (a) and (b).

Within the workgroup it was clarified that the reporting lines (c) and (d) – i.e. the definition of 'Advanced Meter' includes EITHER Meter Assets recorded with a Meter Mechanism of NS (Non SMETS Compliant Smart Metering System) OR where an AMR Device is recorded at the Supply Meter Point. The report will report such Supply Meter Points and shall use the Market Sector Code data item to record such Meter Points in either line (c) or (d).