



UNC Modification 0647 – Introducing Competition into DM Meter Reading

Distribution Workgroup – August 2018

Previous Discussions

- Solution Option 1 - Retaining the principle of DM Mandatory Requirement in UNC and maintaining the SMPs as Class 1 within UK Link systems
- Solution Option 2 - Retaining the principle of the DM Mandatory Requirement in UNC and utilising Class 2 in UK Link systems for Supply Meter Points meeting the Class 1 Requirement
- c300 SMPs; 25 % of UK Gas Market (150,000,000,000 kWh AQ).

Solution Options

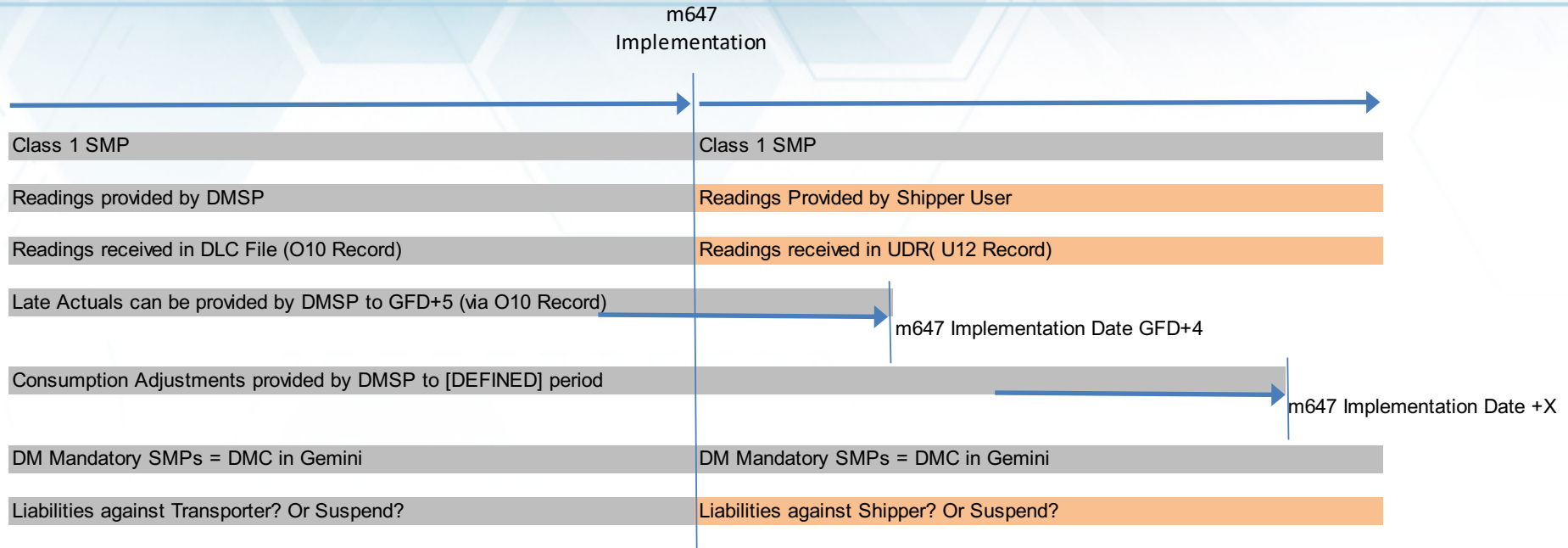
- Solution Development:

- Solution Option 1 requires amendment to Portal screens to allow Shipper Users to update Class 1, and UDR to enable provision of Meter Readings by Shipper on Class 1 SMPs
- Solution Option 2 requires many validation changes to ensure that downstream processing is unimpacted – e.g.
 - in order for retention of SMP to LMN relationship changes will be required to consider Class 1 criteria, rather than the Class recorded on UKL,
 - changes for UK Link Application to UK Link Gemini files (to eliminate Gemini change)
- Reflection that Solution Option 2 is of equivalent complexity to UK Link systems compared to Option 1.
- Assessment with respect to complexity of change to UK Link Users has not been verified with Users, but expected to be equivalent change for Solution Option 1 or 2. Examples:
 - Solution Option 1 – Users will need to ensure that Daily Readings processes reflect User to CDSP
 - Solution Option 2 – Users will need to amend nomination logic for DM Mandatory SMPs to nominate as Class 2
 - This can be tabled at DSG to ratify this assessment, if requested?

Solution Options – Transition

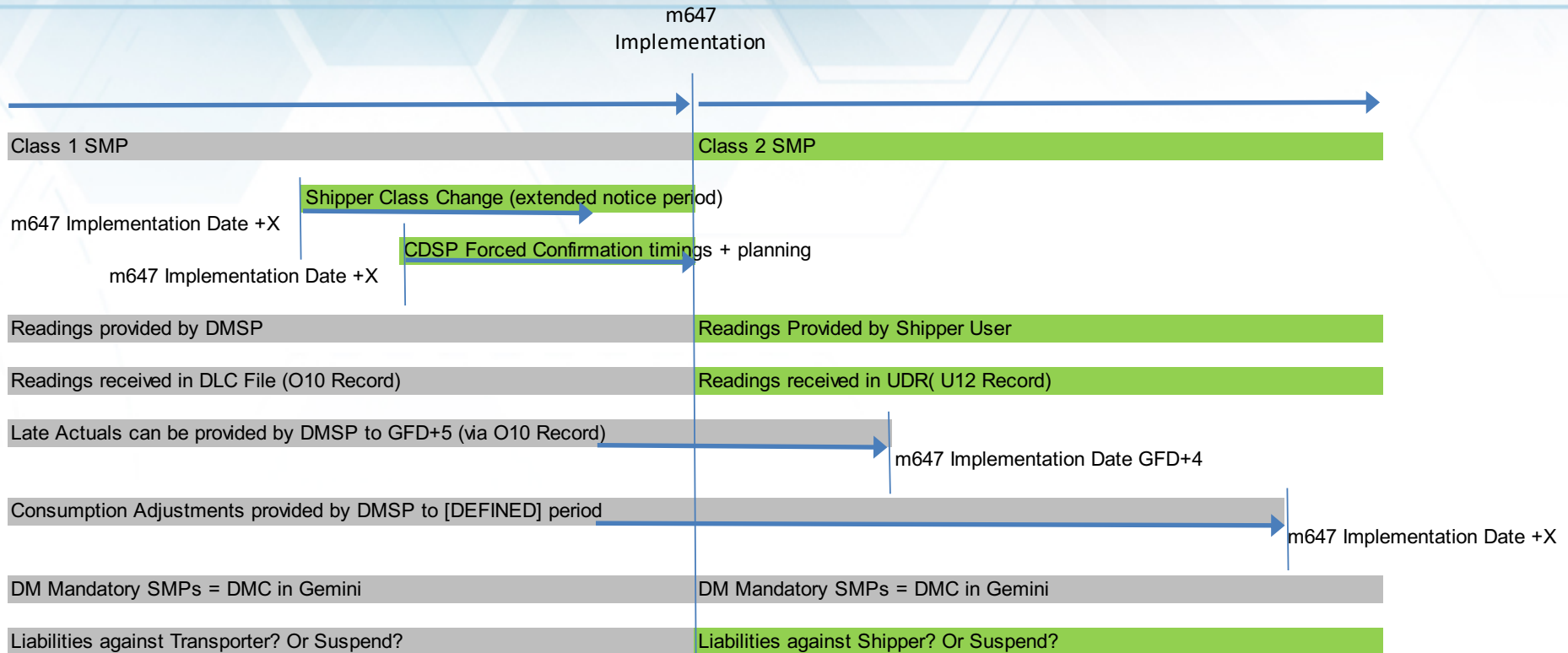
- **Hard Cutover**
 - Immediately following modification implementation date the Shipper must provide Meter Readings for DM Mandatory SMPs
- **Transitional Period –**
 - Phased transition to Shippers providing Meter Readings
 - Requires defined end point of Transitional period
- **Each solution option provides different challenges, for example:**
 - Solution Option 2 – Requires data item to be amended on UK Link systems, therefore a process must be defined for amendment [by CDSP] in the event of failure to amend data condition by Shippers – this is true with hard or transitioned cutover
 - Forced Class Change does not exist as a system or process (this could be achieved by forced confirmation, but timescales are incompatible)**
- **Each option can be assessed against the following Transition criteria:**
 - Impacts to UK Link systems, including any short term system build requirements
 - Impacts to UK Link User systems – DMSPs and Shipper Users
 - Impacts to Other Users – AMRs and Suppliers
 - Impacts to UNC
 - Impacts to industry participant processes

Solution Options – 1 / Hard



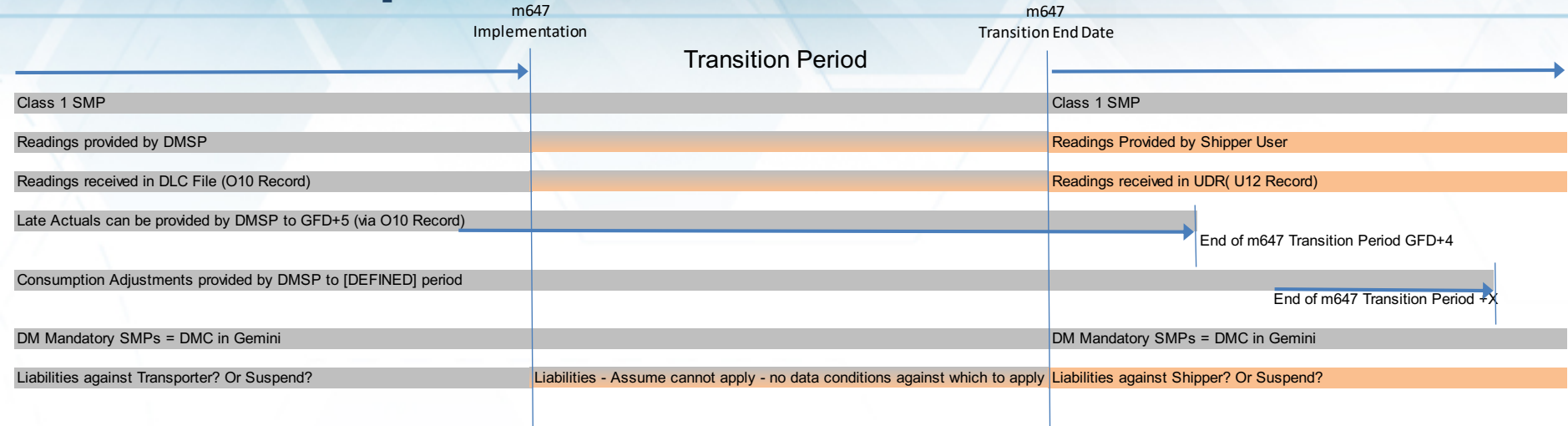
- Hard Transition – single day implementation - Solution Option 1 –
 - UK Link system impacts - no material impacts to UK Link identified for transition
 - Shipper User system impacts – Users preparedness to receive Class 1 readings and issue UDR
 - If used, DMSP Users, or AMR provider – [Issue readings in agreed format to [Shipper] Users or Suppliers]
 - Transitional impacts to UNC - no transitional requirements
 - Impacts to processes
 - Industry readiness required for all processes for all SMPs for Day 1
 - End Consumption Adjustment period within defined period to conclude DMSP services?

Solution Options – 2 / Hard



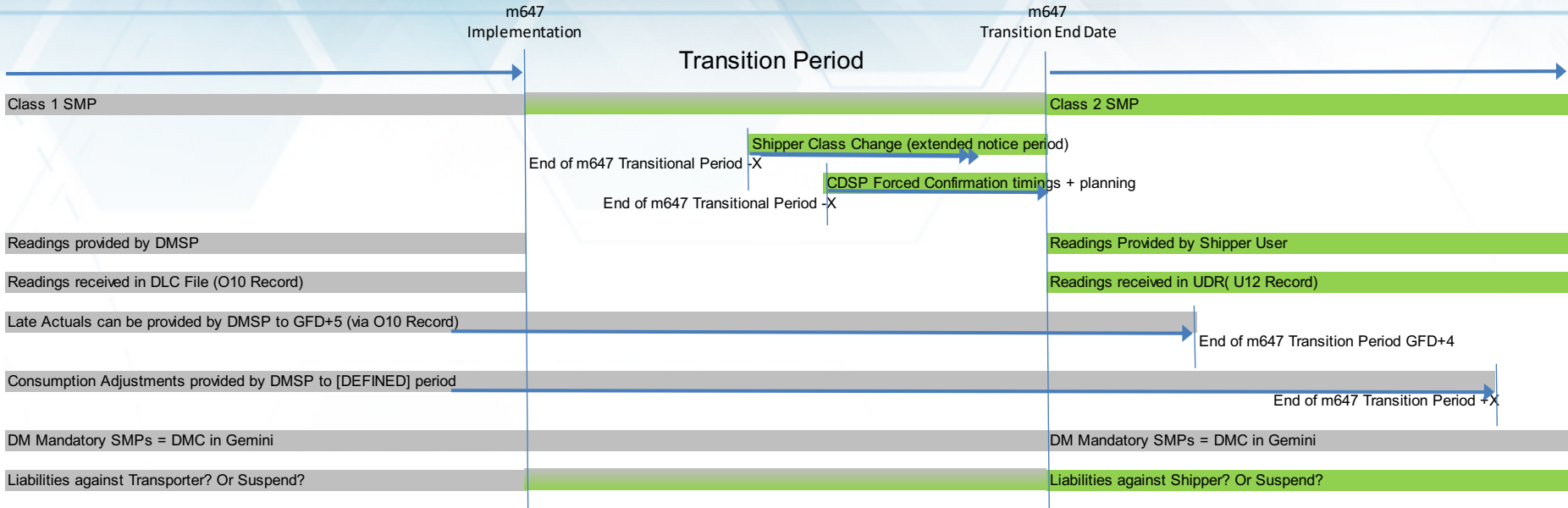
- Hard Transition – single day implementation - Solution Option 2 –
 - UK Link system impacts
 - Data conditions must be correct for Day 1 (all SMPs into Class 2)
 - Potential need for forced Class Change system process?
 - Shipper User / DMSP / AMR system impacts – As Option 1
 - Impacts to processes – As Option 1
 - Transitional Impacts to UNC - In order to accommodate data changes, extend Class Change Period to accommodate CDSP forced confirmation and preparation?

Solution Options – 1 / Transition



- Transition Period – Solution Option 1 – Allows extended period for....
 - UK Link system impacts - no material impacts to UK Link identified for transition
 - Shipper User system impacts – Users preparedness to receive Class 1 readings and issue UDR
 - If used, DMSP Users, or AMR provider – [Issue readings in agreed format to [Shipper] Users or Suppliers]
 - Transitional impacts to UNC - no transitional requirements
 - Impacts to processes
 - Industry readiness NOT required for all processes for all SMPs for Day 1
 - End Consumption Adjustment period within defined period to conclude DMSP services?
 - Risks:
 - Parallel read services for same SMP?
 - Uncertainty for responsibility - first past the post for readings?
 - Once UDR received, assume that this is deemed transitioned?
 - Waive liability within transition? 7

Solution Options – 2 / Transition



- Transition Period – Solution Option 2 – Allows extended period for....
 - UK Link system impacts – allows Users time to transition SMPs to Class 2
 - Shipper User system impacts – Users preparedness to receive Class 1 readings and issue UDR
 - If used, DMSP Users, or AMR provider – [Issue readings in agreed format to [Shipper] Users or Suppliers]
 - Transitional Impacts to UNC - In order to accommodate data changes, extend Class Change Period to accommodate CDSP forced confirmation and preparation?
 - Impacts to processes
 - Industry readiness NOT required for all processes for all SMPs for Day 1
 - End Consumption Adjustment period within defined period to conclude DMSP services?
 - Risks:
 - Waive liability within transition? 8

Operational Transparency

- Solution Option 1 – retains explicit transparency on DM Mandatory SMPs
 - Reduces changes to DES / BW
 - Reduces impacts to Users amending processes / systems to derive whether a site is DM Mandatory
- Solution option 1 does have a detrimental short term impact on transparency if selected with transitional period
 - i.e. it is unclear who is responsible for readings
 - Any Shipper User taking the site is unclear whether DMSP has stood down from SMP
 - Need to define clearly the transitional rules
 - E.g. once 'transitioned' the DMSP service is no longer available
 - 'Transitioned' means submission of valid DM Meter Reading via UDR
 - Probably requires offline process to support

Discussion points - Summary

- Still remains some development within the workgroup to draw a final conclusion....
- Currently assessment feels to suggest disregarding Option 2
 - Views?
 - Do you want this ratified elsewhere? e.g. DSC ChMC / DSG?
- Some discussion threads to consider:
 - Solution Option 2 – benefits of reduced system impacts are being eroded with every phase of analysis undertaken
 - IF Hard cutover is adopted Solution Option 2 will be complex to get data amended
 - IF Transition approach adopted Solution Option 2, benefits from greater transparency in transitional period (i.e. who is providing the service) but consequently has greater complexity to achieve that during Transition
 - However, Solution Option 2 has LESS ongoing transparency post implementation, as industry parties will need to assess whether the DM criteria are met, and may lead to volatility of SMPs in Class 1 (as there is an extended set of criteria to assess to determine whether a site needs classification)
- Views?