












UNC Modification		At what stage is this document in the process?
<h1>UNC 0647:</h1> <h2>Opening Class 1 reads to Competition</h2>		<div>01 Modification</div> <div>02 Workgroup Report</div> <div>03 Draft Modification Report</div> <div>04 Final Modification Report</div>
Purpose of Modification: <p>This modification proposes to Open Class 1 reads to competition by introducing common arrangements for Class 1 and 2 by removing the DNO obligation to provide a Daily Read service to Shippers for non-telemetered Class 1 Supply Meter Points. This does not affect arrangements for directly connected <u>telemetered</u> NTS Supply Meter Points.</p>		
	<p>The Proposer recommends that this modification should:</p> <ul style="list-style-type: none"> be considered a material change and sent for Authority Direction; proceed to a Workgroup for assessment. <p>This modification will be presented by the Proposer to the Panel on 18 January 2018. The Panel will consider the Proposer's recommendation and determine the appropriate route.</p>	
	<p>High Impact:</p> <p>None</p>	
	<p>Medium Impact:</p> <p>Shippers, NTS, DNOs, IGTs, CDSP</p>	
	<p>Low Impact:</p> <p>Suppliers, Consumers</p>	

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Timetable			
The Proposer recommends the following timetable:			 07812 973337 or 029 2027 8552
Initial consideration by Workgroup	22 March 2018	Transporter:	WWU
Workgroup Report presented to Panel	20 September 2018	 richard.pomroy@wvutilities.co.uk	
Draft Modification Report issued for consultation	20 September 2018	 07812 973337 or 029 2027 8552	
Consultation Close-out for representations	11 October 2018	Systems Provider:	Xoserve
Final Modification Report available for Panel	18 October 2018	 commercial.enquiries@xoserve.com	
Modification Panel decision	18 October 2018		

1 Summary

This Modification proposal makes the long overdue change of opening Class 1 reads to competition by passing responsibility for Class 1 reads to Shippers. The definition of Class 1 will be unchanged but the current arrangements peculiar to Class 1 will cease. Class 1 will effectively become the same as Class 2 with the exception that a Class 1 site will be mandatory whereas Class 2 will be elective on the part of the Shipper. Class 1 Supply Meter Points are large and DNOs may need to monitor them for the purposes of network management therefore Shippers will have an obligation to provide the DNO access to the meter and corrector to enable them to obtain flow data and pressure data. For the avoidance of doubt, this proposal does not affect arrangements for DNO and NTS connected sites that are telemetered ~~for those directly connected to the NTS~~ however it does affect IGT Class 1 Supply Meter Points and the one NTS Class 1 Supply Meter Point that is not telemetered.

What

Class 1 reads are a monopoly Transporter obligation and this Modification seeks to remove this restriction (except for NTS directly connected sites and those DNO sites with telemetry) and make Shippers responsible for making their own arrangements for obtaining meter reads at Class 1 Supply Meter Points, alongside the provisions for meter reads for Class 2 sites. The aim is to make the process for Class 1 reads the same as for Class 2 reads unless there are good reasons for different processes. To enable DNOs and NTS to obtain flows and pressure readings to operate their system, they will be given the right to install dataloggers at Class 1 Supply Points and Shippers will need to ensure that DNOs and NTS can access the meter installation and to make the appropriate outputs available. This change will also impact IGTs as under the terms of IGTAD E, DNOs provide a daily read service for DM CSEPs.

Why

Standardising the arrangements for meter reads at Class 1 and Class 2 Supply Meter Points will simplify processes and reflect advances in meter reading. It opens up this important meter reading market to competition and brings this market into line with the wider metering market.

How

The modification will achieve its objective by standardising Class 1 and Class 2 processes by removing the DNO and NTS obligation to provide a Daily Read service for non-telemetered Supply Meter Points. Since Shippers will provide the reads, the current requirement for Transporters to submit reads to Shippers by a given time on the Day will cease, as will the payment of liabilities for failure to provide the reads and the provision of the within day hourly reads obtained from Class 1 Supply Meter Points to Shippers. The Shippers will be required to submit reads to the same timescales as for Class 2. For the avoidance of doubt the sites with an AQ greater than or equal to 58.6GWh will still be required to be Daily Metered and will continue to be Class 1. DNs and NTS will acquire a new right to install dataloggers at Class 1 sites for System management purposes. It will also amend IGTAD E to remove the obligation for DNs to provide a daily read service for DM CSEPs.

We envisage a hard cutover from the current transporter provision to Shipper provision but would consider a **short** transition period if required, namely if Shippers were intending to change from the existing service provider immediately. A non-hard cutover will add complexity to both the legal text and cut-over implementation processes and may add to system related implementation costs for both central systems and the current Daily Metered Service Providers so a hard cutover is our preference.

2 Governance

Justification for Authority Direction

The removal of the Transporter monopoly meter reading obligation in respect of Class 1 Supply affects competition between Suppliers and Shippers and given the size of the customers concerned Authority Direction is appropriate.

Requested Next Steps

This modification should:

- be considered a material change and be sent for Authority direction;
- proceed to a workgroup for assessment.

3 Why Change?

The developments in meter reading mean that Shippers can easily procure meter reading services for Class 1 non-telemetered Supply Meter Points on DNO **and NTS** systems and opening this area of metering to competition is long overdue. This reform will provide an opportunity to better align processes across Class 1 and 2. As DNOs **and NTS** may still require some data from Class 1 Supply Meter Points, they will still have the right but not the obligation to install a datalogger at any time on Class 1 Supply Meter Points, should they choose to do so but if they do so, they will have no obligation to provide data to Shippers or to anyone else.

4 Code Specific Matters

Reference Documents

UNC TPD Section M Supply Point Metering,

[https://www.gasgovernance.co.uk/sites/default/files/ggf/page/2018-05/TPD Section M - Supply Point Metering.pdf](https://www.gasgovernance.co.uk/sites/default/files/ggf/page/2018-05/TPD%20Section%20M%20-%20Supply%20Point%20Metering.pdf);

IGTAD E, DM CSEPs

[https://www.gasgovernance.co.uk/sites/default/files/ggf/page/2017-07/IGTAD Section E - DM CSEP Supply Points 2.pdf](https://www.gasgovernance.co.uk/sites/default/files/ggf/page/2017-07/IGTAD%20Section%20E%20-%20DM%20CSEP%20Supply%20Points%202.pdf).

Knowledge/Skills

Not relevant.

5 Solution

The solution will align Class 1 with Class 2 meter reading processes using the same file formats (UDR) and timescales. The existing obligations for Transporters to:

- 1) submit reads to Shippers by a given time on D+1 (TPD M 5.6)
- 2) Perform annual check reads and resynchronisation (TPD M 5.12)

3) Make consumption adjustments (TPD M 1.9.2)

will cease and pass to Shippers although time by which reads must be submitted could change

The existing obligation for Transporters to:

- 1) pay liabilities for failure to provide the reads (TPD 7)
- 2) provide within day hourly reads obtained from Class 1 Supply Meter Points to Shippers on request (TPD M 6.5)

will cease, the relevant provisions in the UNC will be deleted (note that TPD M 7.1.4 relating to Special Supply Metering Points may need to be amended and not deleted) and will not be replaced by obligations on Shippers.

DNO ~~and NTS~~ Supply Meter Points where telemetry equipment is fitted ~~and NTS Supply Meter Points~~ are excluded from the provision of this proposal however ~~currently~~ so the UNC text needs to ensure that provisions remain for telemetered Class 1 Supply Meter Points where the Transporter owns the read equipment.

Shippers will be required to provide access to the pulse output on the meter or corrector for Transporters to obtain flows and pressures from the meter installation for network management purposes.

DNs will acquire a new right to install dataloggers at Class 1 Supply Meter Points for System management purposes but will under no obligation to do so and will not be required to provide any data obtained to any other party.

For the avoidance of doubt the Supply Meter Points with an AQ greater than or equal to 58.6GWh will still require to be Daily Metered and will continue to be Class 1.

TPD M8 and IGTAD E 2 will be deleted to remove the obligation on DNOs to provide satisfy the Class 1 Meter Reading Requirement for IGT Supply Meter Points In consequence IGTs or Shippers may wish to amend the IGT UNC to align it with the proposed UNC provisions in this proposal.

The UNC TPD related document Guidelines for Sub-Deduct Arrangements (Prime and Sub-deduct Meter Points) will need review and amendment to reflect the changes in Class 1 arrangements.¹

Transition

~~There will be a transition period of three months by the end of which the Shippers must be submitting Class 1 reads. Before the start of the transition period the Shipper will provide a date to the CDSP from which it will take over the Class 1 read obligation. During the transition period this can be varied by notice to the CDSP. Up to this date the Transporter will remain responsible for the Class 1 read obligation. The liability arrangements will cease at the start of the transition arrangements for all Class 1 Supply Meter Points so no liabilities will be paid during the transition period. If a Supply Meter Point becomes Class 1 after the start of the transition period then the Shipper will be responsible for meeting the Class 1 read obligation. Assuming the system changes are implemented in the June 2020 implementation the transition period will start from the date of implementation of the June 2020 release and end on 30th September 2020. The new arrangements will be implemented on a Day to be agreed and there will be no transition arrangements so on that Day DNOs will cease to have the Class 1 read obligation and Shippers will become responsible for it.~~

¹ TPD G 1.8.8 provides that changes are approved by by Panel Majority of the Uniform Network Code Committee) but interestingly this document is not included in the list of documents subject to UNCC governance in TPD V12.1

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Cutover

Following the cutover from DNO [and NTS provision](#) to Shipper provision there could be circumstances when the previous DMSP needs to submit reads. Examples include late reads which can be submitted up to D+5 and consumption adjustments. These arrangements will also be required for any subsequent changes of DMSP by Shippers.

Given the number of Class 1 Supply Meter Points these probably do not need to be system based arrangements but this needs further analysis.

Summary table of major changes in provisions with timing

<u>Transporter obligation</u>	<u>Provision end or start date</u>	<u>Shipper obligation</u>	<u>Provision start or end date</u>
TPD M 1.9.2 Make consumption adjustments	Ends on Day before Day during transition period from which Shipper takes over responsibility and otherwise on last day of transition period	Make consumption adjustments	Starts on Day during transition period from which Shipper takes over responsibility and otherwise on Day following last day of transition period
TPD M 5.6 Submit reads to Shippers by 11am on D+1	Ends on Day before Day during transition period from which Shipper takes over responsibility and otherwise on last day of transition period	Meet Class 1 read obligation, time needs to be amended to be time of first UDR file submission	Starts on Day during transition period from which Shipper takes over responsibility and otherwise on Day following last day of transition period
TPD M 5.12 Perform annual check reads and resynchronisation	Ends on Day before Day during transition period from which Shipper takes over responsibility and otherwise on last day of transition period	Perform annual check reads and resynchronisation	Starts on Day during transition period from which Shipper takes over responsibility and otherwise on Day following last day of transition period
TPD M 5.13 Daily Read Error (this is about Shippers being able to challenge a Transporter Daily Read)	Ends on Day before Day during transition period from which Shipper takes over responsibility and otherwise on last day of transition period	PAC may want to consider whether there should be some ability to challenge Shipper reads for all Supply Meter Points	
TPD M 6.5 Provide within day hourly reads obtained from Class 1 Supply Meter Points to Shippers on request	Ends on Day before Day during transition period from which Shipper takes over responsibility and otherwise on last day of transition period		
TPD 7 Pay liabilities for failure to provide the reads	Ends on first Day of transition period	PAC may want to consider the subject of liabilities for Shipper Class 1 reads as part of its wider work on read	

		<u>performance</u>	
<u>TPD M8 and IGTAD E 2 will be deleted to remove the obligation on DNOs to satisfy the Class 1 Meter Reading Requirement for IGT Supply Meter Points</u>	<u>Ends on first Day of transition period</u>		
		<u>New TPD M. By start of transition period nominate date (within transition period) for all Class 1 Supply Meter Points from which they will take over the Class 1 read obligation</u>	<u>Obligation comes in from Day of implementation so no start date</u>
		<u>New TPD G, J or M. Provide access to the pulse output on the meter or corrector for Transporters to obtain flows and pressures from the meter installation for network management purposes</u>	<u>Starts from first Day of transition period</u>
<u>New TPD G, J or M. Right to install dataloggers at Class 1 Supply Meter Points for System management purposes but will be under no obligation to do so and will not be required to provide any data obtained to any other party</u>	<u>Starts on first Day of transition period</u>		
		<u>TPD M. For Supply Points that newly meet Daily Read Requirement on or after first Day of Transition period provide Class 1 read</u>	<u>Starts from first Day of transition period</u>
<u>Consequential changes to TPD M</u>			
<u>General</u>	<u>Numerous changes to take into account transfer of obligations. Typically to remove specific references to Class 1 having a different treatment; however as telemetered Supply Meter Points will remain read by Transporters then M needs to retain provisions to cover these. A new definition of Telemetered Supply Meter Point may be needed and 6.7 amended accordingly and in some cases the references to Class 1 processes will need to remain but only in respect of Class 1</u>		

	<u>Telemetered Supply Meter Points. We are assuming that all telemetered Supply Meter Points are Class 1 though it might be prudent to allow for them being Class 2.</u> <u>Envisage that TPD M will be changed to reflect enduring arrangements of Shipper responsibility</u>
<u>TPD M 3 Special Metering Supply Meter Installation</u>	<u>A few of these exist. Some changes required. Need to establish whether they are all telemetered.</u>
<u>TPD M 6.2 Daily Read Equipment</u>	<u>Remove this section, there is no detail for Shipper Class 2 reads so it seems strange to have it for Shipper Class 1 reads. Need to retain and amend 6.2.10 to protect Shipper equipment from Transporter interference and Transporter equipment if installed.</u>
<u>TPD M 6.2 Daily Meter Readings</u>	<u>There is no equivalent section for Class 2 reads so it can be removed for Shipper provided Class 1 reads. Provisions may be required for Class 1 Telemetered Supply Meter Points</u>
<u>Transition Rules</u>	
<u>General</u>	<u>Transition Rules will contain the text relating to Transporter obligations during transition period for Supply Meter Points that have not transferred to Shipper read.</u>

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6 Impacts & Other Considerations

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

This Modification proposal should not impact any current Significant Code Reviews or significant industry change projects.

Consumer Impacts

The change will open Class 1 reads to competition and should result in benefit to consumers. The current systems reflect the DNO's and NTS drive to achieve an excellent service to remove the risk of liabilities being incurred in the tight timescales. Relaxing the timescales and liabilities may result in a cheaper service as Shippers internalise the benefits and costs of achieving a given standard.

Cross Code Impacts

There will be an impact on the IGT UNC as the DNOs will no longer provide a service to IGTS. This which should be considered as part of the Workgroup assessment. IGTs will either need to provide a service or an IGT UNC modification will be required to replicate the changes in this modification proposal. WWU is not able to raise any IGT UNC changes as it is not a party to the IGT UNC.

EU Code Impacts

There are no anticipated EU Code Impacts.

Central Systems Impacts

The solution may require changes to central systems in relation to meter reading files to align Class 1 with the current arrangements for Class 2.

An option that required Class 1 reads to be submitted using the existing files from DMSPs would be easier to implement but would potentially reduce the number of parties which were willing to offer a Class 1 read service and is seen as second best.

A non-hard cutover may result in further central systems cost.

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.	Positive
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

Opening up Class 1 meter reads to competition will further relevant objective (d).

8 Implementation

A lead time is likely to be required to implement the necessary central system changes and any Shipper and DMSP system changes required. WWU's current contract for the provision of the Class 1 read service ends on 31st March 2020 and we therefore seek an implementation date no later than this date.

9 Legal Text

To be provided.

10 Recommendations

Proposer's Recommendation to Panel

Panel is asked to:

- Agree that Authority Direction should apply, and
- Refer this proposal to a Workgroup for assessment.