










UNC Modification	At what stage is this document in the process?
<h1 data-bbox="132 320 657 414">UNC 0819:</h1> <h2 data-bbox="132 448 1182 584">Establishing/Amending a Gas Vacant Site Process</h2>	<div data-bbox="1209 309 1469 629"> <div data-bbox="1209 309 1469 383">01 Modification</div> <div data-bbox="1209 383 1469 456">02 Workgroup Report</div> <div data-bbox="1209 456 1469 530">03 Draft Modification Report</div> <div data-bbox="1209 530 1469 629">04 Final Modification Report</div> </div>
<p data-bbox="132 680 507 719">Purpose of Modification:</p> <p data-bbox="132 734 1469 813">This Modification seeks to provide Shippers with the ability to effectively manage their Settlement Performance Obligations and Transportation Costs for Vacant sites.</p> <p data-bbox="132 857 308 896">Next Steps:</p> <p data-bbox="132 911 979 949">The Proposer recommends that this Modification should be:</p> <ul data-bbox="156 965 1145 1050" style="list-style-type: none"> considered a material change and not subject to Self-Governance assessed by a Workgroup <p data-bbox="132 1066 1469 1144">This Modification will be presented by the Proposer to the Panel on 15 September 2022. The Panel will consider the Proposer's recommendation and determine the appropriate route.</p>	
<p data-bbox="132 1583 399 1621">Impacted Parties:</p> <p data-bbox="132 1637 547 1675">High: Shippers and Suppliers</p> <p data-bbox="132 1691 1339 1729">Low: Distribution Network Operators, Independent Gas Transporters and Consumers</p> <p data-bbox="132 1744 288 1783">None: NTS</p>	
<p data-bbox="132 1825 389 1863">Impacted Codes:</p> <p data-bbox="132 1888 1142 1926">Uniform Network Code (UNC) and Independent Gas Transporters UNC</p>	

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Timetable		 n/a	
Modification timetable:		Transporter:	
Pre-Modification Discussed at final 0783R workgroup	12 July 2022	Insert name and Organisation	
Date Modification Raised	01 September 2022	 email address	
New Modification to be considered by Panel	15 September 2022	 telephone	
First Workgroup Meeting	22 September 2022	Systems Provider:	
Workgroup Report to be presented to Panel	19 January 2023	Xoserve	
Draft Modification Report issued for consultation	19 January 2023	 UKLink@xoserve.com	
Consultation Close-out for representations	09 February 2023	Other:	
Final Modification Report available for Panel	10 February 2023	Insert name	
Modification Panel decision	16 March 2023	 email address	
		 telephone	

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 assessed by a Workgroup.
- be considered a material change and not subject to Self-Governance.

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

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 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 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 reinstate 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 reinstate 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 on a current SCR.

Consumer Impacts

More accurate billing.

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

Consumers currently being billed on inflated AQ volumes would receive more accurate billing.

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.	Positive
Benefits for society as a whole	None

Cross-Code Impacts

Possible IGT UNC Modification required.

EU Code Impacts

None.

Central Systems Impacts

The Modification will impact the Central Data Services Provider and will be passed to Xoserve for a cost of implementation.

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:	Positive

<p>(i) between relevant Shippers;</p> <p>(ii) between relevant Suppliers; and/or</p> <p>(iii) between DN operators (who have entered into transportation arrangements with other relevant gas transporters) and relevant Shippers.</p>	
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
<p>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:</p> <p>(i) between relevant Shippers;</p> <p>(ii) between relevant Suppliers.</p>	

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.

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

9 Legal Text

Text Commentary

TBC

Text

TBC

10 Recommendations

Proposer's Recommendation to Panel

Panel is asked to:

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