















| UNC Request   |  | At what stage is this document in the process?   |
|---|--|--|
| <h1>UNC 0763R:</h1> <h2>Review of Gas Meter By-Pass Arrangements</h2>   |  | <div>01 Request</div> <div>02 Workgroup Report</div> <div>03 Final Modification Report</div> |
| <p><b>Purpose of Request:</b></p> <p>To request a review of the current Uniform Network Code (UNC) Meter By-Pass arrangements</p> |  |  |
|    | <p>The Proposer recommends that this request should be assessed by a Workgroup. This request will be presented by the Proposer to the Panel on <b>15 April 2021</b>.</p> |  |
|   | <p>High Impact:</p> <p>None</p>  |  |
|    | <p>Medium Impact:</p> <p>Shippers, Transporters</p>  |  |
|    | <p>Low Impact:</p> <p>None</p>   |  |

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| <b>About this document:</b> <p>This document is a Request, which will be presented by the Proposer to the panel on [dd month year].</p> <p>The Panel will consider the Proposer's recommendation and agree whether this Request should be referred to a Workgroup for review.</p> |                           | <div>  0121 288 2107         </div> <div>           Proposer:<br/> <b>Claire Roberts</b><br/> <b>ScottishPower</b> </div> <div>  <a href="mailto:clairelouise.roberts@scottishpower.com">clairelouise.roberts@scottishpower.com</a> </div> <div>  0141 614 5930         </div> <div>           Transporter:<br/> <b>Insert name</b> </div> <div>  email address.         </div> <div>  telephone         </div> <div>           Systems Provider:<br/> <b>Xoserve</b> </div> <div>  <a href="mailto:UKLink@xoserve.com">UKLink@xoserve.com</a> </div> <div>  telephone         </div> <div>           Additional contacts:<br/> <b>PAFA</b> </div> <div>  <a href="mailto:PAFA@gemserv.com">PAFA@gemserv.com</a> </div> <div>  </div> |

## 1 Request

### Why is the Request being made?

Through the management of the Performance Assurance Committee (PAC) Risks and Issues Register, a risk was identified relating to Meter By-Pass values.

The risk highlighted to the PAC related specifically to settlement accuracy in the event that a Meter By-Pass was installed and left in an 'Open' position, allowing the consumption on that site to bypass the meter with no incrementing read.

At the direction of the PAC, further analysis of the issue was undertaken by Xoserve between July 2020 and January 2021. This analysis revealed that there are presently circa 13k Meters with By-Passes recorded in UK Link as 'Open' or 'Closed', with some dating as far back as 2004.

The PAC were concerned with the accuracy of the Meter By-Pass data within UK Link and so a further exercise was carried out at the request of the PAC. Datasets were issued to all Shippers in October 2020 containing Meters where a By-Pass was recorded on UK Link. Shippers were asked to investigate all sites flagged with an 'Open' By-Pass and a sample of sites with a 'Closed' By-Pass.

While a number of responses were received, movement in the number of Meters with By-Passes recorded in UK Link was relatively small. Discussions with responding Shippers were positive but also highlighted a general lack of clarity in relation to the process for updating By-Pass information.

Consequently, the PAC are concerned that the existing Meter By-Pass arrangements as defined in the UNC may not be clear and fit for purpose and that the associated Meter By-Pass data held in UK Link may not be accurate, creating a risk to settlement accuracy and unidentified gas (UIG).

Therefore, this Request has been raised to review the existing Meter By-Pass arrangements.

### Scope

The scope of the review should include but not be limited to:

1. The existing Meter By-Pass arrangements as defined in the UNC; and
2. The accuracy of Meter By-Pass data recorded within industry systems such as UK Link.

### Impacts & Costs

Undertaking a detailed review of the Meter By-Pass arrangements may necessitate input from Shippers, Gas Transporters, Xoserve and potentially Meter Asset Managers and Meter Reading / Inspection Agents.

### Recommendations

Panel is requested to put in place a review of the current Meter By-Pass arrangements to ensure they continue to remain fit for purpose and that the associated Meter By-Pass data held within industry systems remains accurate. It is anticipated that the workgroup could recommend changes to the industry arrangements and codes if warranted by the findings of the review.

## 2 Impacts and Costs

### Consideration of Wider Industry Impacts

The Request could potentially have an impact on aspects governed by and developments of the Retail Energy Code (REC) and / or the Supply Point Administration Agreement (SPAA).

This Request should also consider any potential Cross Code impacts, in particular Independent Gas Transporter (IGT) UNC and SPAA governance.

The Request should also consider the impact of any associated Meter By-Pass arrangements/guidance/governance set out in the Meter Asset Manager Code of Practice (MAMCoP) and Institute of Gas Engineers and Managers (IGEM) standards.

### Impacts

| Impact on Central Systems and Process |  |
|---------------------------------------|--|
| Central System/Process                | Potential impact   |
| UK Link                               | <ul style="list-style-type: none"> <li>Improvement to data accuracy</li> </ul>                               |
| Operational Processes                 | <ul style="list-style-type: none"> <li>Improved clarity in relation to Meter By-Pass arrangements</li> </ul> |

| Impact on Users   |   |
|---|---|
| Area of Users' business   | Potential impact  |
| Administrative and operational  | <ul style="list-style-type: none"> <li>Improved clarity in relation to Meter By-Pass arrangements and UNC requirements.</li> </ul>                                    |
| Development, capital and operating costs                              | <ul style="list-style-type: none"> <li>None identified</li> </ul>   |
| Contractual risks   | <ul style="list-style-type: none"> <li>None identified</li> </ul>   |
| Legislative, regulatory and contractual obligations and relationships | <ul style="list-style-type: none"> <li>Improved clarity in relation to Meter By-Pass arrangements and improved clarity in relation to settlement accuracy.</li> </ul> |

| Impact on Transporters                   |   |
|--|---|
| Area of Transporters' business           | Potential impact  |
| System operation                         | <ul style="list-style-type: none"> <li>None identified</li> </ul> |
| Development, capital and operating costs | <ul style="list-style-type: none"> <li>None identified</li> </ul> |
| Recovery of costs                        | <ul style="list-style-type: none"> <li>None identified</li> </ul> |
| Price regulation                         | <ul style="list-style-type: none"> <li>None identified</li> </ul> |
| Contractual risks                        | <ul style="list-style-type: none"> <li>None identified</li> </ul> |

| Impact on Transporters  |   |
|---|---|
| Legislative, regulatory and contractual obligations and relationships | <ul style="list-style-type: none"> <li>Improved clarity in relation to Meter By-Pass arrangements. Improved clarity in relation to settlement accuracy</li> </ul> |
| Standards of service  | <ul style="list-style-type: none"> <li>Improved clarity in relation to Meter By-Pass arrangements</li> </ul>  |

| Impact on Code Administration |  |
|-------------------------------|--|
| Area of Code Administration   | Potential impact   |
| Modification Rules            | <ul style="list-style-type: none"> <li>None identified</li> </ul>                                |
| UNC Committees                | <ul style="list-style-type: none"> <li>Minor impact – PAC leading to improved insight</li> </ul> |
| General administration        | <ul style="list-style-type: none"> <li>None identified</li> </ul>                                |
| DSC Committees                | <ul style="list-style-type: none"> <li>None identified</li> </ul>                                |

| Impact on Code |  |
|----------------|--|
| Code section   | Potential impact   |
|                | <ul style="list-style-type: none"> <li>To be considered</li> </ul> |

| Impact on UNC Related Documents and Other Referenced Documents |  |
|--|--|
| Related Document   | Potential impact   |
| Network Entry Agreement (TPD I1.3)                             | <ul style="list-style-type: none"> <li>None identified</li> </ul>  |
| General  | Potential Impact   |
| Legal Text Guidance Document                                   | <ul style="list-style-type: none"> <li>None identified</li> </ul>  |
| UNC Modification Proposals – Guidance for Proposers            | <ul style="list-style-type: none"> <li>None identified</li> </ul>  |
| Self-Governance Guidance                                       | <ul style="list-style-type: none"> <li>None identified</li> </ul>  |
|  | <ul style="list-style-type: none"> <li></li> </ul>                 |
| TPD  | Potential Impact   |
| Network Code Operations Reporting Manual (TPD V12)             | <ul style="list-style-type: none"> <li>None identified</li> </ul>  |
| UNC Data Dictionary  | <ul style="list-style-type: none"> <li>None identified</li> </ul>  |
| AQ Validation Rules (TPD V12)                                  | <ul style="list-style-type: none"> <li>To be considered</li> </ul> |
| AUGE Framework Document  | <ul style="list-style-type: none"> <li>None identified</li> </ul>  |
| Customer Settlement Error Claims Process                       | <ul style="list-style-type: none"> <li>None identified</li> </ul>  |

| Impact on UNC Related Documents and Other Referenced Documents  |  |
|---|--|
| Demand Estimation Methodology   | <ul style="list-style-type: none"> <li>None identified</li> </ul>  |
| Energy Balancing Credit Rules (TPD X2.1)  | <ul style="list-style-type: none"> <li>None identified</li> </ul>  |
| Energy Settlement Performance Assurance Regime  | <ul style="list-style-type: none"> <li>None identified</li> </ul>  |
| Guidelines to optimise the use of AQ amendment system capacity  | <ul style="list-style-type: none"> <li>None identified</li> </ul>  |
| Guidelines for Sub-Deduct Arrangements (Prime and Sub-deduct Meter Points)                              | <ul style="list-style-type: none"> <li>None identified</li> </ul>  |
| LDZ Shrinkage Adjustment Methodology  | <ul style="list-style-type: none"> <li>None identified</li> </ul>  |
| Performance Assurance Report Register   | <ul style="list-style-type: none"> <li>To be considered</li> </ul> |
| Shared Supply Meter Points Guide and Procedures   | <ul style="list-style-type: none"> <li>None identified</li> </ul>  |
| Shipper Communications in Incidents of CO Poisoning, Gas Fire/Explosions and Local Gas Supply Emergency | <ul style="list-style-type: none"> <li>None identified</li> </ul>  |
| Standards of Service Query Management Operational Guidelines  | <ul style="list-style-type: none"> <li>None identified</li> </ul>  |
| Network Code Validation Rules   | <ul style="list-style-type: none"> <li>To be considered</li> </ul> |
|   | <ul style="list-style-type: none"> <li></li> </ul>                 |
| OAD   | Potential Impact   |
| Measurement Error Notification Guidelines (TPD V12)   | <ul style="list-style-type: none"> <li>None identified</li> </ul>  |
|   | <ul style="list-style-type: none"> <li></li> </ul>                 |
| EID   | Potential Impact   |
| Moffat Designated Arrangements  | <ul style="list-style-type: none"> <li>None identified</li> </ul>  |
|   | <ul style="list-style-type: none"> <li></li> </ul>                 |
| IGTAD   | Potential Impact   |
|   | <ul style="list-style-type: none"> <li>To be considered</li> </ul> |
| DSC / CDSP  | Potential Impact   |
| Change Management Procedures  | <ul style="list-style-type: none"> <li>None identified</li> </ul>  |
| Contract Management Procedures  | <ul style="list-style-type: none"> <li>None identified</li> </ul>  |
| Credit Policy   | <ul style="list-style-type: none"> <li>None identified</li> </ul>  |

| Impact on UNC Related Documents and Other Referenced Documents |  |
|--|--|
| Credit Rules   | <ul style="list-style-type: none"> <li>None identified</li> </ul>  |
| UK Link Manual   | <ul style="list-style-type: none"> <li>To be considered</li> </ul> |
|  | <ul style="list-style-type: none"> <li></li> </ul>                 |

| Impact on Core Industry Documents and other documents                   |  |
|---|--|
| Document  | Potential impact   |
| Safety Case or other document under Gas Safety (Management) Regulations | <ul style="list-style-type: none"> <li>To be considered</li> </ul> |
| Gas Transporter Licence   | <ul style="list-style-type: none"> <li>None identified</li> </ul>  |

| Other Impacts  |  |
|--|--|
| Item impacted  | Potential impact   |
| Security of Supply   | <ul style="list-style-type: none"> <li>None identified</li> </ul>  |
| Operation of the Total System  | <ul style="list-style-type: none"> <li>None identified</li> </ul>  |
| Industry fragmentation   | <ul style="list-style-type: none"> <li>None identified</li> </ul>  |
| Terminal operators, consumers, connected system operators, suppliers, producers and other non code parties | <ul style="list-style-type: none"> <li>To be considered and in particular in relation to Consumers, Suppliers, Meter Asset Managers and Meter Reading/ Inspection Agencies.</li> </ul> |

### 3 Terms of Reference

#### Background

A Meter By-Pass is a fitting through which the flow of gas can be diverted so as not to pass through the meter. Typically, a Meter By-Pass is used to maintain a supply of gas should the meter fail, and/or to allow a meter to be replaced, recalibrated, checked or maintained without interruption to the gas supply.

The circumstances in which a Meter By-Pass would be fitted are limited to specific premises and situations and require the MAM to seek the written approval of the Gas Transporter prior to installation.

Where a Meter By-Pass is installed, the Shipper is required under Section M of the UNC to update UK Link 'as soon as reasonably practicable' via an ONJOB. Where a Meter By-Pass is physically Open, the consumption on that site bypasses the meter and there will be no incrementing read. Once the Meter By-Pass is closed, the Shipper should update UK Link and within a set period, provide a consumption adjustment.

A Meter By-Pass should only be removed at the GT or Gas Act Owner's discretion – i.e., where it is suspected that the Meter By-Pass has been misused; where the Meter By-Pass was installed without the GT's permission; or where circumstances have changed and no longer meet the criteria for provision of a Meter By-Pass.

The scope of the review should consider the end-to-end process for a Meter By-Pass including but not limited to:

- The circumstances in which it is appropriate to fit a Meter By-Pass
- Notification to UK Link
- Existing UNC arrangements
- Updating the Meter By-Pass status
- Consumption Adjustments as a result of a Meter By-Pass being used
- Meter By-Pass removal
- The accuracy of existing UK Link Meter By-Pass data
- Notification that a Meter By-Pass exists at change of supplier
- Verification that the status of a Meter By-Pass has physically remained as declared, continuously through that period
- Consequences of opening a Meter By-Pass and when they are used
- Provision of clarity around settlement risk

### Topics for Discussion

- Understanding the objective
- Assessment of alternative means to achieve objective
- Development of Solution (including business rules if appropriate)
- Assessment of potential impacts of the Request
- Assessment of implementation costs of any solution identified during the Request
- Assessment of current governance arrangements.

### Outputs

Produce a Workgroup Report for submission to the Modification Panel, containing the assessment and recommendations of the Workgroup including a draft modification where appropriate.

### Composition of Workgroup

The Workgroup is open to any party that wishes to attend or participate. Participation from suppliers and agents with on-site meter operatives would be welcomed.

A Workgroup meeting will be quorate provided at least two Transporter and two User representatives are present.

### Meeting Arrangements

Meetings will be administered by the Joint Office and conducted in accordance with the Code Administration Code of Practice.



## 4 Recommendations

### Proposer's Recommendation to Panel

The Proposer invites the Panel to:

- DETERMINE that Request 0763R progress to Workgroup for review.