UNC Workgroup Report	At what stage is this document in the process?

UNC 0691S:

CDSP to convert Class 2, 3 or 4 Supply Meter Points to Class 1 when G1.6.15 criteria are met

01 Modification
02 Workgroup Report
03 Draft Modification Report
04 Final Modification Report

Purpose of Modification:

This Modification proposes that where the requirement for a Class 2, 3 or 4 Supply Meter Point has met the requirement to become Class 1 because its AQ has exceeded 58,600,000 kWh for the duration specified in G1.6.15 and the Shipper has not converted it to Class 1 by 20 Supply Point System Business Days (SPSBD) after the existing deadline (2 months after Class 1 Read Requirements have been met) then the CDSP will convert the Supply Meter Point to Class 1.

The Modification also proposes new Performance Assurance Committee (PAC) reports (with corresponding anonymised reports) in the Performance Assurance Report Register (PARR) of Supply Meter Points not in Class 1 that are above the Class 1 AQ threshold, and of Supply Meter Points that have been reclassified to Class 1 by the CDSP over the previous 12 months .

	The Workgroup recommends that this modification should be: subject to self-governance The Panel will consider this Workgroup Report on 16 July 20 The Panel will consider the recommendations and determine the appropriate next steps.
	High Impact: None
	Medium Impact: Shippers, CDSP, DM Service Providers
	Low Impact: Gas Transporters, affected End Consumers

Contents

Timetable

The Proposer recommends the following timetable:

Initial consideration by Workgroup	29 April 2019
Workgroup Report presented to Panel	16 July 2020
Draft Modification Report issued for consultation	16 July 2020
Consultation Close-out for representations	06 August 2020
Final Modification Report available for Panel	11 August 2020
Modification Panel decision	20 August 2020

Any questions?

Contact:
Joint Office of Gas Transporters

enquiries@gasgovernance.co.uk

0121 288 2107

Proposer:
Rhys Kealley

rhys.kealley@britishgas.co.uk

0755 7610443

Transporter:
Scotia Gas Networks

Hilary.Chapman@sgn.co.uk

07749 983418

Systems Provider:
Xoserve

UKLink@xoserve.com

1 Summary

What

This Modification proposes that the CDSP is given an obligation to convert Class 3 and 4 Supply Meter Points to Class 1, where they have met the Class 1 qualifying criteria but have not been actioned by the Shipper within a set time frame. The intention is to limit the time period when sites that meet the Class 1 Requirement are subject to Non-Daily Metered (NDM) Demand Estimation, as opposed to being Daily Metered.

For the avoidance of doubt this proposal envisages a similar obligation for Class 2 Supply Meter Points which have met the Class 1 criteria, even though they are already daily metered. This would ensure that all Supply Meter Points that meet the Class 1 Requirement have consistent DM Meter Reading arrangements with respect to read submission timings and central service provision.

Why

The Unidentified Gas (UIG) Task Force (as established by UNC Modification 0658) has determined that Supply Meter Points that meet the Class 1 Requirement but remain as either Class 3 or Class 4 can contribute to daily UIG volatility. This is because their daily gas allocation will be determined using the NDM Demand Estimation Algorithm rather than using their actual metered consumption.

Although any differences between allocated and actual consumption will be corrected by Supply Meter Point reconciliation, these sites may have an irregular usage pattern and the NDM Algorithm may not be a good estimate of the actual daily consumption, with any difference being a component of UIG each day.

As at November 2019 15 sites with an AQ equivalent to almost 0.5% of total national LDZ throughput had fully met the qualifying criteria for Class 1 but were still in Product Class 2 to 4. The true contribution to daily or annual UIG will not be known until they are converted to Product Class 1 but based on the findings of the UIG Task Force they could be contributing around 0.1% of throughput to daily volatility of UIG nationally, and a much greater proportion in the LDZ in which they are situated.

Contact with individual Shippers by the CDSP regarding their own sites (plus anonymous reporting at PAC) has shown some improvements, but there is an ongoing churn of new sites crossing the threshold and meeting the criteria, which requires continued vigilance and co-operation from Shippers.

Measures to shorten the period between qualification and conversion to Class 1 would help to reduce daily UIG volatility. Including existing Class 2 Supply Meter Points which have met the Class 1 criteria even though they are already daily metered would ensure that all Supply Meter Points that meet the Class 1 Requirement have consistent DM Meter Reading arrangements with respect to read submission timings and central service provision.

This should help to reduce the volatility of UIG between D+1 and D+5.

How

This Modification proposes that after the qualifying period for the requirement for a Supply Meter Point to become Class 1 is met, where the Supply Meter Point is currently Class 2, 3 or 4, and the Shipper has not converted the Supply Meter Point to Class 1 within 20 Supply Point System Business Days after the existing required timeframe, then the CDSP will reclassify the Supply Meter Point to Class 1 and advise the relevant Shipper of the changes.

Whilst the Transporters retain the sole responsibility for installation of daily reading equipment, where this is not already in situ, Shippers should cooperate in all necessary steps to facilitate the installation of Daily Read Equipment.

This Modification also seeks to introduce an additional report to Performance Assurance Committee (PAC) (and a corresponding anonymised report) in the Performance Assurance Report Register (PARR) of the count and aggregate AQ of Supply Meter Points where the CDSP is in the process or has completed work to convert to Class 1 or where the Shipper has reclassified, over the previous 12 month period.

Note: a separate UNC Modification proposal (UNC 0690) which has now been approved, has reduced the qualifying period for Class 1.

2 Governance

Justification for Self-Governance

This Modification is recommended for self-governance, on the basis that it is a minor change to industry governance and seeks to improve take-up of Class 1, and thereby reduce UIG volatility.

This Modification does not seek to prescribe any change to end consumer billing arrangements, which are at the discretion of the Supplier. Meter points with an AQ above 732,000 kWh should already have a daily reading capability (Shipper Licence Special Condition 12).

Modification panel determined in April 2019 that this Modification should be subject to Self-Governance status. The criteria for Self-Governance are met as this Modification is unlikely to impact competition or consumers

Requested Next Steps

This Modification should:

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

3 Why Change?

Where the Class 1 Requirement applies it has been identified that Shippers are failing to correctly reclassify such Supply Meter Points for extended periods. This Modification seeks to ensure that this period is finite, as the CDSP will reclassify the Supply Meter Points on the Shipper's behalf where they fail to do so themselves.

Where there is a delay in reclassifying a Class 3 or 4 Supply Meter Point to Class 1, they will be subject to NDM Allocation based on a standard national profile, rather than being allocated energy based on its actual daily usage. Inclusion of existing Class 2 Supply Meter Points that meet the Class 1 Requirement is proposed as the timescales for Meter Reading submission and increased performance under Class 1 will lead to a greater number of actual readings on Gas Flow Day + 1, thus further reducing volatility for such Supply Meter Points.

Based on the findings of the UIG Task Force this issue could be contributing around 0.1% of throughput to daily volatility of UIG nationally, and a much greater proportion in the LDZ in which these Supply Meter Points are situated. The UIG Task Force's publication "3.2.1: Inaccurate / Out of date AQs - Non-Daily Metered EUC09 Sites" provides the details of this analysis.

Contact with individual Shippers by the CDSP regarding their own sites (plus anonymous reporting at PAC) has shown some improvements, but there is an ongoing churn of new sites crossing the threshold and meeting the criteria, which requires continued vigilance and co-operation from Shippers.

4 Code Specific Matters

Reference Documents

UIG Task Force findings - 3.2.1: Inaccurate / Out of date AQs - Non-Daily Metered EUC09 Sites:

https://www.xoserve.com/media/1492/321-inaccurate-or-out-of-date-aqs-non-daily-metered-euc09-sites.pdf

Knowledge/Skills

A knowledge of the daily reading process would be useful.

5 Solution

Business Rules

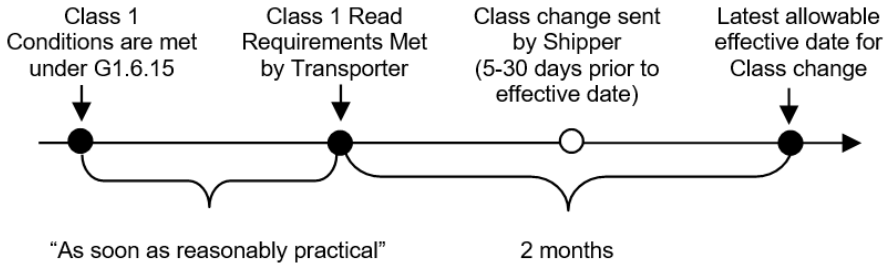

Figure 1: Existing timeline for change to Class 1

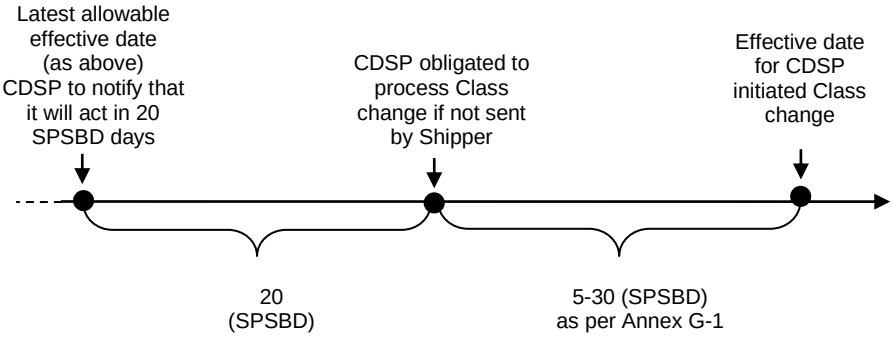

Figure 2: Additional proposed steps for change to Class 1

For the avoidance of doubt, the above timelines in Figure 1 and Figure 2 are intended to provide clarity based upon the existing timescale and also to illustrate the revised timeline described in the business rules below, respectively. No legal text is expected to be produced for the above. This Modification proposes that the CDSP shall reclassify Supply Meter Points that meet the Class 1 AQ requirement (Supply Meter Point AQ larger than 58.6m kWh) to Class 1 if the Shipper does not do this.

In summary, where a Class 2, 3 or 4 site meets the qualifying conditions to become Class 1 through reason of an AQ exceeding the Class 1 threshold of 58.6m kWh, subject to G1.6.15, and where the Shipper does not meet its obligation to convert the meter point to Class 1 by 20 Supply Point System Business Days (SPSBD) after the existing deadline of 2 months after Class 1 Read Requirements have been met (for clarity the Class 1

Read Requirements are met once Daily Read Equipment is established on site), the CDSP will commence a process to do so on the Shippers behalf.

In more detail, the proposed sequence of events is:

1. The CDSP should notify both the Shipper and relevant Transporter immediately upon a site meeting the Class 1 qualifying conditions under G1.6.15, as well as any DM Services Provider appointed by the relevant Transporter of the same. For the avoidance of doubt, this obligation is currently discharged by the T04 record in the NRL – AQ WC Notifications which goes to Shippers from the CDSP where there has been an AQ amendment, and within the NNL – AQ notification which goes from the CDSP to Transporters.
2. As per existing code requirements (G1.5.5) – the Class 1 Meter Read Requirements should be met "as soon as reasonably practical" by the Transporter. Shippers should cooperate in all necessary steps to facilitate the installation of Daily Read Equipment.
3. Also, per existing code requirements (under G1.11.2b), once the Class 1 Meter Read Requirements are met, the Shipper must reclassify the Supply Meter Point as Class 1 with an effective date within 2 months of the requirements being met (noting that effective dates may be between 5 to 30 Supply Point System Business Days after the reclassification processing date).
4. Once the Shipper is in breach of the above, the CDSP will notify the Shipper as soon as the non-compliance becomes clear, highlighting that the Shipper has a timeframe of 20 Supply Point System Business Days (SPSBD) from the date of notification to reclassify to Class 1 before the CDSP will do so on the Shipper's behalf.
5. The notification by the CDSP should also provide a request for a Supply Point Capacity and Supply Point Offtake Rate. If either or both of these values are not provided, then the CDSP should in place of the missing values use default values as outlined in the 'Default values for transfer' section). If the shipper reclassifies the site within the 20 SPSBD period, these requested values are no longer required to be supplied.
6. Once the timeframe in business rule 4 expires the CDSP shall submit the reclassification on the relevant Shipper's behalf

Existing obligations apply to the Transporter regarding the satisfaction of the Class 1 Meter Read Requirements, and to the Shipper User to facilitate access to enable them to do so.

For the avoidance of doubt, once the site has met the Class 1 requirement (including the period defined in G1.6.15), any incoming Shipper User will only be able to take on the Supply Meter Point within Class 1.

Default Values for Transfer

Where the requested Supply Point Capacity and requested Supply Point Offtake Rate is not provided by the Shipper, or if the supplied values fail existing validation, the following business rules for default values should apply:

Where the site is currently Product Class 2 the CDSP should use the Prevailing Supply Point Capacity and Supply Point Offtake Rate values for the site.

- For sites currently in Product Class 3 or 4 the existing NDM Supply Point Capacity derived from the AQ should be used (as referenced in Section B4.3) as the Supply Point Capacity and a default value of one twelfth of the Supply Point Capacity should be used for the Supply Point Offtake Rate.
- Where only one value is provided – the estimate will apply for the other value.

6 Impacts & Other Considerations

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

No impacts have been identified; however, it is worth noting, that the Legal Text drafting is based on Modification 0708S which was implemented at the May UNC Panel Meeting but will have an effective date in line with UNC IGT 137 timescales

Consumer Impacts

The Workgroup concluded that this Modification does not seek to prescribe any change to end consumer billing arrangements, which are at the discretion of the Supplier. Meter points with an AQ above 732,000 kWh should already have a daily reading capability (Shipper Licence Special Condition 12).

Cross Code Impacts

For the avoidance of doubt the intention is for this proposal to also apply to Supply Meter Points on IGT Networks. However, based on the current version of the legal text an IGT Housekeeping Modification is required to change the numbering where IGT UNC refers a section of the UNC Section G 2.2.6 (c) which will now become Section G 2.2.11 (c).

The Workgroup believe that a SPAA change would not be required

EU Code Impacts

None identified

Central Systems Impacts

CDSP systems will need to identify sites which have met or are approaching the qualifying threshold and to produce the additional reports and notifications to Shippers and DMSP. The CDSP will need to establish processes to undertake the conversion to Class 1.

A change to the Data Services Contract will also be required, as well as a charging methodology. It is envisaged that the relevant Shipper would bear any specific CDSP costs of converting the Supply Meter Point to Class 1, including any administration costs.

An outline of the proposed service line changes to the Data Services Contract is below. The relevant Shipper should bear any specific CDSP costs of converting the Supply Meter Point to Class 1, including any administration costs. A Change Proposal (XRN 5038) has been raised to ensure requirements are fully captured.

Please note, the below is an indication of the proposed changes, not the final version.

Part E Specific Services - Service Area 22		
Reference	SS SA22 *tbc*	SS SA22 *tbc*
Service Requirement Description	Notification to the Registered User that the CDSP believes that it is in breach of its obligation under G1.11.2 to reconfirm a Class 2, 3 or 4 Supply Meter Point as Class 1, and request the Registered User to make a Supply Point Reconfirmation or Supply Point Amendment (as	Conversion of Class 2, 3 or 4 Supply Meter Point to Class 1 in accordance with [G1.11.7] including liaison with the relevant Transporter and notification to the Registered User.

	appropriate) in respect of the Supply Meter Point or to provide details of why no such measure is required.	
Service Requirement Trigger	CDSP becomes aware that a Supply Meter Point has fully met the requirements to be reconfirmed as Class 1.	More than 20 Supply Point Business Days have elapsed since the notification to the Registered User that a Class change is required, and the Shipper has not initiated a Class Change or provided details of why no such measure is required.
Service Requirement Output	Notification to the Registered User of the relevant Supply Meter Point, with the reasons for the CDSP's assessment, and a request to reconfirm the Supply Meter Point as Class 1 within 20 Supply Point Business Days.	Supply Meter Point has been changed to Class 1, liaison with Transporter (if required) with regard to installation of Daily Read Equipment and Registered User notification. Necessary data items e.g. Supply Point Capacity, Supply Point Offtake Rate have been provided to UKLink in line with Business Rules.
Time for delivery of service requirement	As soon as reasonably practicable	As soon as reasonably practicable
How service requirement delivered	[Email]	Update to CDSP records
Corresponding UNC requirement	TPD Section G1.11.6	TPD Section G1.11.1 (c)
Other corresponding requirement		
Service volume constraints (none unless stated)	None	None
Performance standard		
KPI category (1-4)		
Corresponding obligation needed for delivery (Customer Responsibilities)	None	Provision of Prevailing Supply Point Capacity, Prevailing Supply Point Offtake Rate and Meter Reading in accordance with G1.11.17 on request from the CDSP.
Charging Measure	None	Per completed Class Change
Charging period	None	As and when required
Change references to Service Description Table (note this does not form part of the Service Description Table)	**Source**: Mod 0691	**Source**: Mod 0691
	Version:	

This Modification also seeks to introduce an additional report to PAC (and a corresponding anonymised report) in the PARR of the count and aggregate AQ of Supply Meter Points where the CDSP is in the process or has completed work to convert to Class 1 or where the Shipper has completed the reclassification themselves, over the previous 12 month period. Note that reporting from an earlier XRN (4867) is already in place to provide visibility on sites due to trigger the Class conditions – the proposed additional PARR reports are shown in Appendix 1.

Rough Order of Magnitude (ROM) Assessment *(Cost estimate from CDSP)*

CDSP are recommending that in future that the XRN will not be assigned to the ROM externally. For avoidance of doubt, XRN 4867 ROM was submitted in relation to the original costs. However, the Change Proposal XRN 5038 is the official Change Proposal for this Modification.

The ROM originally provided has changed significantly and these changes are now reflected in the Solution Section of this Modification.

CDSP are working through the Change Proposal and a High-Level Solution impact assessment will be developed and provided.

DSC Change Management Committee will consider this further and decide whether a manual or an automated solution is best. CDSP advised workgroup that an automated Class Change Tool will be delivered in November 2020 UK Link release and depending when this Modification is implemented this Modification will use the same solution. CDSP are looking at utilising DDP Platform for the reporting element however different options will be assessed.

Related Modifications

For the avoidance of doubt, this Modification does not propose to change the qualifying rules in G1.5 and G1.6 as far as they relate to the Class 1 requirement, as that was be subject to a separate Modification proposal (Modification UNC 0690S Reduce Qualifying Period for Class 1 which was implemented on 25 March 2020).

Workgroup Impact Assessment

Background

This Modification was raised in April 2019 following the UIG Task Force discussions which had identified a small number of very large NDM (Class 4) sites which were above the Class 1 threshold. The risk being that sites operating as Class 4 could do so for up to 18 months if meter reads were not frequent causing UIG volatility. An interim Workgroup report was presented to Panel in February 2020 requesting further assessment to be returned to Panel by 21 May 2020, then in June 2020 a further extension was granted to July 2020 Panel to carry out a final review of the Workgroup Report based on V11 of the Modification

Workgroup Discussions

CDSP provided options to workgroup participants on how this could be managed noting that the timescales associated in UNC Section G.1.6.15 were being reduced under Modification 0690S – Reduce qualifying period for Class 1. The aim of this was to limit the time period when very large sites are subject to NDM Demand Estimation, as opposed to being Daily Metered. Modification 0690S was implemented on 25 March 2020. This is also monitored closely by the Performance Assurance Committee (PAC) by the development of new reports.

Workgroup participants discussed recommendations presented by the CDSP where Shippers had not taken action within an agreed qualifying period and would convert Class 3 or 4 meter points to Class 1 when UNC Section G.1.6.15 criteria are met.

The original scope of the Modification excluded Class 2, however when this was addressed by a Workgroup Participant on what the rational was, it could not be justified and was later included in a revised version of the Modification in July 2019. At the same time, the CDSP provided a Rough Order of Magnitude (ROM) with two potential options: an Automated and Manual solution. Some Workgroup participants felt that this was developed too early when the Modification had not been fully developed. However, the Proposer had a preference of the Manual Solution.

The Legal Text provider raised several questions during the development of the Modification which was felt had not been fully captured in the solution to aid clarity in Legal Text drafting.

- What would happen if the CDSP did not have SHQ or SOQ?
- Class 1 sites are subject to Ratchet Charges so the SOQ would need to be correct.
- Criteria for Class 1 should be set out clearly in Code and referenced.
- Procurement of contract with Service Provider to install DM equipment needs to be reviewed captured in Mod 0694R.
- Are changes to the Data Services Contract required?
- How costs will be passed onto Shippers from the CDSP and this should be clearly defined in Solution.
- Grace Period needs defining and set out in Business days or Supply Point business days.

Workgroup participants discussed the above and agreed that the Proposer and CDSP would discuss offline and capture this in the solution/Business Rules.

A Workgroup participant questioned IGT UNC impacts. The Proposer advised Workgroup that the IGT UNC referred to the appropriate sections within the UNC and therefore this was not a requirement. However, following further discussions it was identified once the Legal Text had been drafted that an IGT Housekeeping modification would be required, this is captured under the cross code impacts section of this report. The Proposer also noted that a Change Proposal would be raised for specifying the requirements of a PARR Report.

A review of the Legal Text concluded that the Modification was not stable and that various iterations were made to the Modification and reviewed by Workgroup to provide clarification and address the points raised above and these were captured in the Business Rules; to include a Process Flow Diagram of the overall process in relation to the CDSP's responsibilities, existing and proposed changes to timeline and following a request from Workgroup to provide more clarity on the process behind Class 1.

A Workgroup Participant pointed out that the biggest issue was getting equipment installed on site due to access restrictions and that the timelines suggested by the Proposer could be challenging to enable CDSP to effect the change. Other workgroup members also agreed. The Proposer noted that this Modification does not impose a timescale for getting meter equipment installed.

Update for February 2020 Panel

An interim Workgroup report was presented to Panel in February 2020 requesting further assessment to be returned to Panel by 21 May 2020, a further extension was granted to present to June 2020 Panel.

The Legal Text provider highlighted to Panel Members that the Legal Text had been provided on time but due to further updates to the Modification wanted to bring this to Panel's attention that any further delay of Legal Text is as a consequence of these changes.

Further Assessment during Workgroup

A Workgroup Participant requested confirmation on the number of sites impacted where DN Read equipment was already installed. CDSP confirmed that as at November 26 only 15 sites fell into this category. A Workgroup Participant discussed how Transporters would be informed if DM equipment would need to be installed. Workgroup also discussed including a DSC Service Line.

Some Workgroup Participants noted that the existing process whereby the Shipper notifies the Transporter via the nomination referral process and the Transporter has various tasks to perform, some related to any Network Exit Arrangements (NExA) in existence. Some Workgroup Participants expressed concern that this process could effectively be bypassed and that there should be some mechanism whereby the nomination referral process should be carried out in some way. See TPD Section G 2.3.4. There was some question as to whether TPD Section G 1.11.7 impacts TPD Section G 2.3.4 (nomination/reconfirmation). The Proposer was

comfortable that there would be no impact caused by this modification, as any increases in capacity at a Supply Point would have occurred prior to the point that this solution is invoked.

Workgroup and the Proposer considered the potential overlap with *Modification 0710 CDSP provision of Class 1 read service,* in relation to Transporter Daily Read equipment. The Proposer felt that this Modification was mutually exclusive, however it was recognised that if Modification 0710 is implemented before Modification 0691S, caution would be required to ensure elements of Modification 0710 are not overwritten by Modification 0691S. It was confirmed that Mod 0710 would be presented to September UNC Panel.

Workgroup and the Legal Text provider felt that Legal Text was requested too early as the Modification solution was not stable and changes were still being updated by CDSP and the Proposer to incorporate the detailed procedure into the solution. The initial solution sought only to confer the right to the CDSP to transfer a Supply Point to Class 1 when the relevant conditions are met (with detailed procedures to be expanded on in the DSC Delivery change process).

The Proposer advised the Workgroup that the CDSP had provided further comments on the draft version of the Legal text given the lessons learnt from *Modification 0665 – Changes to Ratchet Regime*, and felt it was necessary to review these comments and the impacts to the Modification and Solution before proceeding

The Legal Text Provider raised various questions on two of the drafting notes to the Proposer and it was agreed that these would be updated in the Modification to ensure consistency.

A Workgroup participant also questioned Business Rule 1, whereby the CDSP already notified the Shipper and relevant Transporter and felt this needed to be made more explicit to say 'Should' notify the Shipper and Transporter, respectively. CDSP also addressed various questions to the Workgroup

Workgroup concluded that further development of the Modification is required to ensure that the solution and Legal Text are fully aligned.

During the May 2019 Workgroup, the draft Legal Text provided by SGN was reviewed. This was based on V9 of the Modification, capturing the Proposers changes to the Business Rules following a discussion with the Legal Text Provider and CDSP. The Workgroup Report was further developed and agreed. All points of Legal Text were reviewed, however there was further review needed by the Lawyer relating to 2.28 and 2.11. Workgroup agreed the iterations to the Business Rules during the meeting and a request was made to the Proposer to provide an updated V10 of the modification to align these changes to the Workgroup Report. This update was provided by the Proposer on 20 May.

Workgroup requested that SGN provide an updated version of the Legal Text by email to allow a review of these changes to ensure they meet the intent of the solution. Workgroup were satisfied that if no major changes to the Legal Text were required, that the Legal text could be approved by the Workgroup over email and could be published and submitted for Panel for consultation.

However, it was also noted that if any changes received were significant a further review would be required at the June UIG meeting. Therefore, a request was made to request an extension to July at the May Panel meeting to allow for this review if required.

Through discussions with the Legal Text provider and the CDSP further minor changes were made by the Proposer, with V11 of the Modification provided on 1 June. Corresponding Legal Text and Explanatory Text were provided on 2 June.

During the June UIG Workgroup it was identified through a late submission from IGT that there is an impact on IGT Legal Text. It was agreed that the decision would be made offline on whether an IGT Modification was required or if the Legal Text for 0691 could be amended. The conclusion for good governance was for the Proposer of 0691 to raise a Housekeeping IGT Modification (details captured in the Cross Code Section of this report).

Workgroup agreed the Legal Text and the revised Modification during the June UIG Meeting.

Workgroup recommends UNC Panel, that this Modification should:

- proceed for consultation based on the timeline proposed in the Modification and that the Legal Text and Legal Text Commentary is published alongside the Draft Modification Report ahead of issuing to consultation; and
- be Self Governance.

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.	Positive
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

The main impacted relevant objective is d). The Use of Class 1 instead of Classes 2, 3 and 4 for the largest sites in the market would lead to greater accuracy of daily allocation, less UIG volatility and lower levels of subsequent meter point reconciliation.

The Modification also has positive benefits for a) as ensuring daily visibility of consumption from the largest loads on the system would improve the operation and coordination of the pipe-line systems and allow more informed capacity planning.

Workgroup Participants concurred with the Proposer's assessment in relation to the main relevant objective d) and noted that benefits associated with a) would be to a much smaller degree.

8 Implementation

After a Modification Panel decision to implement (subject to no Appeal being raised) the CDSP would need to confirm the delivery timescales for the changes to processes and systems subject to approval by the DSC Change Management Committee. In determining the implementation timescale, the impacts of COVID-19 should be considered in terms of the restrictions on the site visits required to install metering equipment.

A Change Proposal has been raised (XRN 5038) to ensure requirements are captured and assessed.

9 Legal Text

Legal Text has been provided by SGN, for consideration by the Workgroup prior to completion of this report. Legal Text has been provided with 0708S Legal Text. It is recommended that Modification 0691S Legal Text if implemented is amended after Modification 0708 effective date which will be aligned with IGT137 timescales.

Text Commentary

Legal Text Explanatory Table will be published alongside the Workgroup Report.

Text

The Legal Text has been published alongside the Workgroup Report and will be available during consultation.

10 Recommendations

Workgroup's Recommendation to Panel

The Workgroup asks Panel to agree that:

- this is a Self-Governance Modification
- proceed to Consultation

11 Appendix

APPENDIX 1: 4 ADDITIONAL PERFORMANCE ASSURANCE REPORTS (2 ANONYMISED, 2 FOR PERFORMANCE ASSURANCE COMMITTEE USE ONLY)

Schedule 2A.x – Industry Peer Comparison View

Report Title	**Sites converted from PC 2/3/4 to PC1 by the CDSP as required under G1.11.7, due to meeting the qualifying criteria for PC1**
Report Reference	2A.x (reference to be determined following implementation of UNC Modification 691)
Report Purpose	To compare Shipper performance in re-confirming sites to PC1 in line with the obligations in G1.11.
Expected Interpretation of the report results	The aim is to understand whether Shippers are meeting their obligations or whether the CDSP has had to convert sites due to lack of actions from the Shipper within 20 Supply Point System Business Days. The report should identify performance across all market participants.
Report Structure (actual report headings & description of each heading)	Monthly non-cumulative report Peer Comparison Identifier Product Class Count of supply points which the Shipper has moved to Class 1 during the month Count of supply points which the CDSP has moved to Class 1 during the month Industry Total
Data inputs to the report	SSC Peer Comparison Identifier Product Class Count of sites converted by the Shipper and the CDSP (reported separately)
Number rounding convention	Whole numbers
History (e.g. report builds month on month)	A Rolling 12 month view, provided monthly
Rules governing treatment of data inputs	Sites are counted if they became live as Class 1 on any date in the calendar month.

(actual formula/specification to prepare the report)	The report is prepared as soon as possible after the end of the calendar month
Frequency of the report	Monthly
Sort criteria (alphabetical ascending etc.)	Peer Comparison Identifier alphabetically
History/background	Requirement introduced to support UNC Modification 0691 obligations
Additional comments	
Estimated development costs	
Estimated ongoing costs	

Supply Points converted to PC1 by the Shipper and the CDSP (in accordance with UNC obligations in G1.11)							
	Month x		Month x + 1		Month x + 2		Etc for 12 months
Converted by	Shipper	CDSP	Shipper	CDSP	Shipper	CDSP	
Identifier A	0	0	0	0	0	0	
Identifier B	0	0	0	0	00	0	
etc							
Total	0	0	0	0	00	0	

Schedule 2B.x – Performance Assurance Committee View

Report Title	**Sites converted from PC 2/3/4 to PC1 by the CDSP as required under G1.11.7, due to meeting the qualifying criteria for PC1**
Report Reference	2B.x (reference to be determined following implementation of UNC Modification 691)
Report Purpose	To compare Shipper performance in re-confirming sites to PC1 in line with the obligations in G1.11.
Expected Interpretation of the report results	The aim is to understand whether Shippers are meeting their obligations or whether the CDSP has had to convert sites due to lack of actions from the Shipper within 20 Supply Point System Business Days. The report should identify performance across all market participants.
Report Structure (actual report headings & description of each heading)	Monthly non-cumulative report Shipper Short Code Product Class Count of supply points which the Shipper has moved to Class 1 during the month Count of supply points which the CDSP has moved to Class 1 during the month Industry Total
Data inputs to the report	SSC Product Class Count of sites converted by the Shipper and the CDSP (reported separately)
Number rounding convention	Whole numbers
History (e.g. report builds month on month)	A Rolling 12 month view, provided monthly
Rules governing treatment of data inputs (actual formula/specification to prepare the report)	Sites are counted if they became live as Class 1 on any date in the calendar month. The report is prepared as soon as possible after the end of the calendar month
Frequency of the report	Monthly
Sort criteria	Shipper shortcode alphabetically

(alphabetical ascending etc.)	
History/background	Requirement introduced to support UNC Modification 0691 obligations
Additional comments	
Estimated development costs	
Estimated ongoing costs	

Supply Points converted to PC1 by the Shipper and the CDSP (in accordance with UNC obligations in G1.11)							
	Month x		Month x + 1		Month x + 2		Etc for 12 months
Converted by:	Shipper	CDSP	Shipper	CDSP	Shipper	CDSP	
Shipper A	0	0	0	0	0	0	
Shipper B	0	0	0	0	0	0	
etc							
Total	0	0	0	0	0	0	

Schedule 2A.y – Industry Peer Comparison View

Report Title	**Sites above the Class 1 threshold which are not in Class 1**
Report Reference	2A.y (reference to be determined following implementation of UNC Modification 691)
Report Purpose	To provide an overview of sites which are approaching or have reached the qualifying period for re-confirmation as Class 1.
Expected Interpretation of the report results	The aim is to understand whether Shippers are meeting their obligations to monitor and manage their very large sites and initiate re-confirmation to PC1 in a timely manner. The report should identify performance across all market participants.
Report Structure (actual report headings & description of each heading)	Monthly non-cumulative report Peer Comparison Identifier Current Product Class grouped as PC2 separated and PC3/4 together Count of supply points split between number of qualifying months met and not yet met Total AQ of supply points split between number of qualifying months met and not yet met Industry Totals split between number of qualifying months met and not yet met
Data inputs to the report	SSC Peer Comparison Identifier Product Class Rolling AQ Number of months/calculations since the AQ first crossed the threshold
Number rounding convention	Whole numbers
History (e.g. report builds month on month)	A Rolling 12 month view, provided monthly
Rules governing treatment of data inputs (actual formula/specification to prepare the report)	Sites are counted from the month that the effective AQ first crossed the Class 1 threshold until they are re-confirmed as Class 1. Sites are included if they are in the Shipper's ownership at the end of reporting month, even if the Shipper has only gained them during the reporting month in question.

	The report is prepared as soon as possible after the end of the calendar month
Frequency of the report	Monthly
Sort criteria (alphabetical ascending etc.)	Peer Comparison Identifier alphabetically
History/background	Requirement introduced to support UNC Modification 0691 obligations
Additional comments	
Estimated development costs	
Estimated ongoing costs	

Count of Supply Points above the Class 1 threshold which are not in Class 1						
	Month x		Month x + 1		etc	
AQ above 58.6m	Qualifying period not met	Qualifying period met	Qualifying period not met	Qualifying period met	Qualifying period not met	Qualifying period met
Identifier A						
PC2	0	0	0	0	0	0
PC3/4	0	0	0	0	0	0
Identifier B						
PC2	0	0	0	0	0	0
PC3/4	0	0	0	0	0	0
etc						
Total	0	0	0	0	0	0
PC2	0	0	0	0	0	0
PC3/4	0	0	0	0	0	0

Total (Rolling) AQ of Supply Points above the Class 1 threshold which are not in Class 1 (kWh)						
	Month x		Month x + 1		etc	
AQ above 58.6m	Qualifying period not met	Qualifying period met	Qualifying period not met	Qualifying period met	Qualifying period not met	Qualifying period met
Identifier A						
PC2	0,000	0,000	0,000	0,000	0,000	0,000
PC3/4	0,000	0,000	0,000	0,000	0,000	0,000
Identifier B						
PC2	0,000	0,000	0,000	0,000	0,000	0,000
PC3/4	0,000	0,000	0,000	0,000	0,000	0,000
etc						
Total	0,000	0,000	0,000	0,000	0,000	0,000
PC2	0,000	0,000	0,000	0,000	0,000	0,000
PC3/4	0,000	0,000	0,000	0,000	0,000	0,000

Schedule 2B.y – Performance Assurance Committee View

Report Title	**Sites above the Class 1 threshold which are not in Class 1**
Report Reference	2B.y (reference to be determined following implementation of UNC Modification 691)
Report Purpose	To provide an overview of sites which are approaching or have reached the qualifying period for re-confirmation as Class 1.
Expected Interpretation of the report results	The aim is to understand whether Shippers are meeting their obligations to monitor and manage their very large sites and initiate re-confirmation to PC1 in a timely manner. The report should identify performance across all market participants.
Report Structure (actual report headings & description of each heading)	Monthly non-cumulative report Shipper Shortcode Current Product Class grouped as PC2 separated and PC3/4 together Count of supply points split between number of qualifying months met and not yet met Total AQ of supply points split between number of qualifying months met and not yet met Industry Totals split between number of qualifying months met and not yet met
Data inputs to the report	SSC Product Class Rolling AQ Number of months/calculations since the AQ first crossed the threshold
Number rounding convention	Whole numbers
History (e.g. report builds month on month)	A Rolling 12 month view, provided monthly
Rules governing treatment of data inputs (actual formula/specification to prepare the report)	Sites are counted from the month that the effective AQ first crossed the Class 1 threshold until they are re-confirmed as Class 1. Sites are included if they are in the Shipper's ownership at the end of reporting month, even if the Shipper has only gained them during the reporting month in question. The report is prepared as soon as possible after the end of the calendar

	month
Frequency of the report	Monthly
Sort criteria (alphabetical ascending etc.)	Shipper shortcode Identifier alphabetically
History/background	Requirement introduced to support UNC Modification 0691 obligations
Additional comments	
Estimated development costs	
Estimated ongoing costs	

Count of Supply Points above the Class 1 threshold which are not in Class 1						
	Month x		Month x + 1		etc	
AQ above 58.6m	Qualifying period not met	Qualifying period met	Qualifying period not met	Qualifying period met	Qualifying period not met	Qualifying period met
Shipper A						
PC2	0	0	0	0	0	0
PC3/4	0	0	0	0	0	0
Shipper B						
PC2	0	0	0	0	0	0
PC3/4	0	0	0	0	0	0
etc						
Total	0	0	0	0	0	0
PC2	0	0	0	0	0	0
PC3/4	0	0	0	0	0	0

Total (Rolling) AQ of Supply Points above the Class 1 threshold which are not in Class 1 (kWh)						
	Month x		Month x + 1		etc	
AQ above 58.6m	Qualifying period not met	Qualifying period met	Qualifying period not met	Qualifying period met	Qualifying period not met	Qualifying period met
Shipper A						
PC2	0,000	0,000	0,000	0,000	0,000	0,000
PC3/4	0,000	0,000	0,000	0,000	0,000	0,000
Shipper B						
PC2	0,000	0,000	0,000	0,000	0,000	0,000
PC3/4	0,000	0,000	0,000	0,000	0,000	0,000
etc						
Total	0,000	0,000	0,000	0,000	0,000	0,000
PC2	0,000	0,000	0,000	0,000	0,000	0,000
PC3/4	0,000	0,000	0,000	0,000	0,000	0,000