















UNC Final Modification Report		At what stage is this document in the process?
<div> <div>UNC 0632S:</div> <div>Shipper asset details reconciliation</div> </div>		<div> <div>01</div> <div>Modification</div> </div> <div> <div>02</div> <div>Workgroup Report</div> </div> <div> <div>03</div> <div>Draft Modification Report</div> </div> <div> <div>04</div> <div>Final Modification Report</div> </div>
<div> <div>Purpose of Modification:</div> <div>This modification seeks to improve the asset data held by the CDSP on behalf of industry parties</div> </div>		
	The Panel determined that this self-governance modification be implemented.	
	<div>High Impact:</div> <div>None</div>	
	<div>Medium Impact:</div> <div>Shippers</div>	
	<div>Low Impact:</div> <div>CDSP</div>	

Contents		 Any questions?
1	Summary	3
2	Governance	3
3	Why Change?	3
4	Code Specific Matters	4
5	Solution	4
6	Impacts & Other Considerations	5
7	Relevant Objectives	6
8	Implementation	6
9	Legal Text	6
10	Consultation	7
11	Panel Discussions	12
12	Recommendations	12
13	Appendices	13
Timetable		 enquiries@gasgovernance.co.uk
Modification timetable:		 0121 288 2107
Initial consideration by Workgroup	26 October 2017	Proposer: Tim Hammond
Amended Modification considered by Workgroup	25 January 2018	 tim.hammond@coronaenergy.co.uk
Workgroup Report presented to Panel	15 February 2018	 telephone: 01923 476 870
Draft Modification Report issued for consultation	15 February 2018	Transporter: Cadent
Consultation Close-out for representations	08 March 2018	 Chris.Warner@cadentgas.com
Final Modification Report available for Panel	09 March 2018	 01926 653541
Modification Panel decision	15 March 2018 (at short notice)	Systems Provider: Xoserve
		 commercial.enquiries@xoserve.com
		Other: Gareth Evans
		 gareth@waterswe.co.uk
		 telephone 07500 964447

1 Summary

What

Latest BEIS statistics indicate that there are over 2 million gas meters with smart functionality currently installed. The Allocation of Unidentified Gas Expert (AUGE) indicated earlier this year that only 700,000 sites have been registered with Xoserve as having smart meters. Similarly there are less than 1,000 sites registered with Automated Meter Reading (AMR) devices.

Why

There is a severe under-recording of the presence of Smart Meters or AMR devices at sites. This restricts the AUGE in undertaking a robust assessment of the sources of Unidentified Gas (UG) and also impedes shippers when attempting to understand what meter type is currently installed at the site. It will also make verification of compliance with the Competition and Markets Authority (CMA) requirement for every site with Smart or AMR meters to submit reads monthly, very difficult to verify.

How

Shippers are to be obliged to record whether an AMR or Smart Meter is at the site. Xoserve will be required to report within 3 months of the modification being implemented the number of sites in each End User Category (EUC) Band that has either an AMR or Smart Meter installed.

2 Governance

Justification for Self-Governance

Panel determined the modification is unlikely to have a material effect as it simply places an obligation on shippers to update Xoserve with information they already have.

Modification 0632S will therefore follow self-governance procedures.

Requested Next Steps

This modification should:

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

The Workgroup agreed with the Panels view on materiality, as this modification is unlikely to impact current Shipper or Supplier obligations or commercial arrangements for the provision of meter data.

3 Why Change?

At present the obligation on Shippers to indicate to notify to the CDSP whether a site has a Smart or AMR device fitted would benefit from clarification. Such information is crucial for a number of reasons:

- Shipper compliance verification for CMA remedies regarding meter readings. Facilitation of more accurate assessment by the AUGE on whether meter types affect UIG.
- Facilitation of easier identification by shippers as to whether a site has Smart or AMR equipment installed.

This limits a number of industry processes, such as assessment of compliance with industry requirements and constrains activities in the market.

4 Code Specific Matters

Reference Documents

The Energy Market Investigation (Gas Settlement) Order 2016.

Knowledge/Skills

None

5 Solution

Modification of the UNC is required to:

1. Amend the defined terms contained within TPD M1.2.2 as follows:
 - Introduce a new definition; Smart Metering System as contained within Supply Licence Standard Condition 1.
 - Reflect that the relevant Smart Metering System may be designated as SMETS1 or SMETS2 as defined within the Smart Metering Equipment Technical Specifications version 2.
 - To introduce a new definition; Advanced Meter as contained within Supply Licence Standard Condition 12.22.
 - Reflect that an Advanced Meter may be installed at a domestic or non-domestic premises in accordance with the relevant Supply Licence Standard Conditions.
2. Amend the existing provisions in TPD M2.1.13 and M2.1.14 to require Shipper Users to notify the CDSP of relevant Meter Information including where relevant identification of whether the Supply Meter is SMETS1 or SMETS2 pertaining to a Smart Metering System, Advanced Meter present at a Non-Domestic Supply Meter Point or Advanced Meter present at a Domestic Supply Meter Point (as defined in 1.) upon the Registered User becoming aware of the existence of such at the relevant Supply Meter Point. For the avoidance of doubt, information regarding Smart Meters will be provided in accordance with Annex M-1. Information regarding Advanced Meters will be provided in accordance with existing UK link manual information.
3. Introduce a new report to be run by Xoserve and provided to shippers within 3 calendar months of implementation which at an aggregated industry level set out the following:
 - the number of Smart Meters SMETS1, existing at relevant Supply Meter Points.
 - the number of Smart Meters SMETS2, existing at relevant Supply Meter Points.
 - The number of Advanced Meters at non-domestic premises existing at relevant Supply Meter Points
 - or Advanced Meters present at a 'domestic' premise, existing at relevant Supply Meter Points.

6 Impacts & Other Considerations

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

There is no impact on any other industry change or the SCR.

Consumer Impacts

Consumer Impact Assessment	
Criteria	Extent of Impact
Which Consumer groups are affected?	No direct consumer impacts identified.
What costs or benefits will pass through to them?	Not applicable
When will these costs/benefits impact upon consumers?	Not applicable
Are there any other Consumer Impacts?	Implementation might reduce the number of erroneous visits to Consumers premises to confirm if a Smart Meter is present.

Cross Code Impacts

There are no known impacts on the Supply Point Administration Agreement (SPAA) processes.

The Workgroup noted that the iGT UNC is to be reviewed should this modification be implemented to identify if there are any associated impacts.

EU Code Impacts

There is no impact on any EU energy code.

Central Systems Impacts

No Central System impacts have been identified. Xoserve have advised that the report required by this modification is to be provided at no additional cost.

Workgroup Impact Assessment

The Workgroup noted that subject to the reporting clarifications set out in Section 11 below, no additional impacts have been identified.

Rough Order of Magnitude (ROM) Assessment

A ROM is not required as there are no Central System Impacts.

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.	None
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.	Positive
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

Reliable reporting of the presence of a Smart or AMR meters at a site should improve a number of Code processes, such as compliance with CMA remedies (which are expected to be formally implemented into the UNC), AUG activities and maintenance of industry data. Therefore this modification furthers Relevant Object f) Promotion of efficiency in the implementation and administration of the Code.

8 Implementation

As self-governance procedures are proposed, implementation could be sixteen business days after a Modification Panel decision to implement, subject to no Appeal being raised.

9 Legal Text

Legal Text has been provided by Cadent and is published alongside this report. The Workgroup has considered the Legal Text and is satisfied that it meets the intent of the Solution.

10 Consultation

Panel invited representations from interested parties on 15 February 2018. The summaries in the following table are provided for reference on a reasonable endeavours basis only. We recommend that all representations are read in full when considering this Report. Representations are published alongside this Final Modification Report.

Of the 9 representations received 7 supported implementation and 2 offered qualified support.

Representations were received from the following parties:

Organisation	Response	Relevant Objectives	Key Points
Cadent	Support	f) - positive	<ul style="list-style-type: none"> • Believes the Modification Proposal clarifies the obligation on Shipper Users to not only notify the CDSP when a Smart Meter is installed at a Supply Meter Point but to also notify them of the information as set out within Annex M-1, when the Shipper User becomes aware that a Smart Meter has been installed at a Supply Meter Point. • Is of the opinion that clarification of UNC should assist the stated aim of the Modification Proposal in closing the gap between the numbers of 'Smart' and 'AMR' meters recorded on the UK Link System and the numbers of such reported to BEIS as having been installed. • Also believes that the Modification Proposal also adds clarity to the UNC in terms of further defining 'Smart' and 'Advanced' Meters in accordance with the relevant Supplier Licence Condition.
Corona Energy	Support	f) - positive	<ul style="list-style-type: none"> • Raised the modification on the grounds that there is currently a significant discrepancy between the number of Smart Meters being recorded with the CDSP and that being reported to BEIS as part of the smart metering programme. • Notes that Xoserve reported on 23 November 2017 that there are 2.2m SMETS1 meters in customer premises. By contrast on 30 November 2017, BEIS reported 3.5m "gas smart" meters (all of which will be SMETS1 meters, as SMETS2 meters are not available in any great quantity) in place. Is of the opinion that this mismatch can only be explained through shippers not updating the CDSP with the correct information. • Whilst acknowledging that there are high-level requirements on shippers to keep this information up to date, Corona suggests that this is evidently not occurring, and as a consequence believes that the modification will

			<p>therefore bring welcome clarity and focus on shipper obligations.</p> <ul style="list-style-type: none"> • Believes that the modification ensures that there is a complete and accurate record of every Smart and AMR gas installation in the market. This will bring benefits to all shippers and their suppliers as they attempt to complete the challenging smart metering rollout programme, as well to the AUGÉ when it completes its annual UIG assessment. • Is of the opinion that the modification will provide clarity on the requirements to shippers on how they record the presence of Smart and AMR devices at their premises, and that this clarity should be provided as soon as possible. • Indicates that the proposal will have a positive impact on Corona processes, as it will provide clarity as to how it records the presence of Smart/AMR meters at its customers' premises with the CDSP. Furthermore, believes that there will also be a reduction in operating costs as these changes will reduce the amount of queries Corona has to raise with MAMs and customers regarding the status of their metering.
EDF Energy	Qualified Support	f) - positive	<ul style="list-style-type: none"> • Supports the modification in principle, however believes that there are wider considerations to ensure the data received from MAM's and MAP's is recorded correctly. • Agrees that a consistent approach needs to be taken across the industry, as it is important that industry data is accurate and up to date. • Notes that there are inconsistencies in the way data is provided and interpreted, and believes therefore these differences should be fully understood and a consistent approach agreed across the industry as to how information should be provided. • Is of the view that these discussions should include all parties involved throughout the process; with the aim to agree a streamlined approach across the industry. • Highlights that prior to implementation EDF requires further clarification on the requirements, which must include any retrospective actions suppliers may need to take. Furthermore, believes that consideration must also be made to any industry work required which prevents data being shared incorrectly. Once EDF has a clear view of the requirements it can suggest a lead-time for implementation.

			<ul style="list-style-type: none"> • Believes that the process will provide clarification in the recording and sharing of information with the CDSP identifying that a Smart or AMR meter is on site. Therefore, following clarification and Industry alignment, EDF would expect a reduction in operating costs. This reduction will be seen by the potential decrease in issues currently experienced due to the information provided by MAM's and MAP's. However, EDF do require clarification regarding work required to rectify the historical misaligned information. • Notes 'Xoserve will be required to report within 3 months of the modification being implemented the number of sites in each End User Category (EUC) Band that has either an AMR or Smart Meter installed'. Believes that it is not clear if this report will be shared with suppliers and will contain sufficient information for suppliers to then correct the misalignment of the data. • Believes that the misalignment of data needs to be prevented at source, by ensuring the data that the MAMs and MAPs provide in identifying Smart Meters or AMR devices is consistent. • Believes that the under-recording of the presence of Smart Meters or AMR devices at sites, can be impacted by the flows which Xoserve receive showing the meter type as NSS (non SMETS compliant smart meter). Notes that the meter may have been upgraded via a firmware update to now be SMETS compliant (S1), but Xoserve may not have been notified. Believes Suppliers would then count these meters in their reports to BEIS but may not have sent a revised metering flows to Xoserve. • EDF also understand that some MAM's and MAP's are over-recording Smart Meters by presenting SMETS 2 (S2) meter types with no Smart Meter System Operator (SMSO) included. Based on EDF's understanding this would therefore suggest these are not S2 meters.
ENGIE	Support	f) - positive	<ul style="list-style-type: none"> • No additional supporting comments provided.
E.ON UK	Qualified Support	f) - positive	<ul style="list-style-type: none"> • Supports the principle of ensuring data accuracy is maintained in central systems for smart and AMR. • Offers qualified support centred around the report issued, and notes this is stipulated as a one-off report 3 months after implementation. However, with rollout and other activities E.ON would prefer reports to be issued between now and rollout completion. Although the initial report would highlight any present day issues it doesn't however act to mitigate future ones, which E.ON believe additional

			<p>reports would provide. The report has no additional costs as a one off so E.ON do not believe the introduction of further reports e.g. twice a year, would change this.</p> <ul style="list-style-type: none"> • Would support implementation that coincides with the standard release dates, the next being June 2018 with the report issued no later than Nov 2018. • If the report is a not already created and requires DSC work to deliver, it is not clear within the modification how it links to the DSC deliverables, E.ON's preference would be that it aligns with R3 delivery (aligning with suggested November 2018 date). However, E.ON recognises it could also be included in a smaller release with an adhoc date given by DSC change. Notes that there is no associated XRN noted in the modification to accompany report creation. • Anticipates some costs relating to the review of the reports, but would class this as a smaller change so wouldn't incur significant costs. • Perceives 1.3.5 TPD Section M2.1.13 and M2.1.14 as a sunset clause that would no longer be required post the one-off report. E.ON does not see where code is treating this as such, and prefer either it is made clearer if it remains a one off, or, expanded if it is to be made a regular report.
Npower	Support	f) - positive	<ul style="list-style-type: none"> • Supports the modification, as it believes it should lead to improved data accuracy related to smart and AMR metering in central systems, and also adds welcome clarity and additional focus to the existing obligations for shippers in this area. Npower believes the modification will be Positive for objectives d) and f) for this reason.
SGN	Support	f) - positive	<ul style="list-style-type: none"> • Supports this modification on the grounds that it will improve the accuracy of the data held by Xoserve on behalf of industry parties. • Believes that based on the latest statistics provided by BEIS there is potentially a large volume of smart meters not recorded in Xoserve's central systems, which may make it difficult to verify compliance with the CMA requirement for every site with a smart meter to submit monthly reads. • Notes that in addition to ensuring compliance with the CMA order the Smart Meter rollout programme must have accurate records to enable industry parties to track the progress and operational impacts of the programme.

SSE	Support	a) - positive b) - positive	<ul style="list-style-type: none"> • Is of the view that implementation of this modification will improve the data quality within the gas settlements system, as there appears to be an under-recording of Smart Meters and AMR devices at sites. This improvement in data quality will aid the AUGÉ in its undertaking of the assessment of the sources of Unidentified Gas, and will help shipper processes as shippers will know the meter type installed at sites. Furthermore, it will help in the reporting of compliance with the CMA Gas Settlement Order, which requires every site with a Smart Meter or AMR device to submit reads at least monthly from 1st April 2018. • Suggests that the modification should be implemented as soon as possible in line with self-governance timescales.
Wales & West Utilities	Support	d) - positive f) - positive	<ul style="list-style-type: none"> • Supports this obligation as measures to enable improved data accuracy are beneficial unless the cost outweighs the benefit. • Believes that there will be a positive impact on competition between Suppliers and between Shippers because of improved information provision and the removal of uncertainty over the type of meter installed. • Anticipates that accurate information may facilitate more sites moving to Class 2 though this probably would only apply to non-domestic Supply Meter Points with AMR rather than domestic Supply Meter Points with smart meters. • Also agrees that it facilitates objective (f) promotion of efficiency in implementation and administration of Code by facilitating demonstration or otherwise of Supplier compliance with the CMA remedy relating to reading AMR and smart meters each month. Whilst WWU also believes that one additional relevant objective is (d), they do not believe that it will have a material effect on competition and therefore self-governance should apply. • WWU understand that it is not possible to identify smart meters from the meter serial number. Also notes comments in the workgroup that this information should be reported already under existing obligations. However, WWU wonder whether some Suppliers are not notifying the meter type but rather the mode in which it is used. For example a SMETS1 meter may not be being used as a smart meter so the Supplier may be not be reporting it as such. Notwithstanding this WWU support the modification as it should reinforce the requirement for accurate

			reporting. WWU also suggest that the Performance Assurance Committee should monitor this issue.
--	--	--	---

Please note that late submitted representations will not be included or referred to in this Final Modification Report. However, all representations received in response to this consultation (including late submissions) are published in full alongside this Report, and will be taken into account when the UNC Modification Panel makes its assessment and recommendation.

11 Panel Discussions

Determinations

Panel Members noted the support of those who responded to the Consultation.
Members voted unanimously to recommend implementation of Modification 0632S.

12 Recommendations

Panel Determination

Members agreed that Modification 0632S should be implemented.

13 Appendices

Requirements for Reporting as a consequence of UNC Modification 0632 - SHIPPER ASSET DETAILS RECONCILIATION.

The Modification seeks to clarify the basis on which Shippers are obliged under licence to notify the Transporters of equipment installed at the consumer's premises.

The text requires the CDSP to provide a report within 3 months of the implementation of the modification.

The legal text sets out the structure of the report:

2.1.15 Within 3 months of the [implementation of 0632 the] CDSP ... shall provide to the Shipper Users a report which sets out the following at an aggregated industry level:

- (a) the number of Smart Meters at relevant Supply Meter Points that have been designated with the technical specification SMETS1;
- (b) the number of Smart Meters at relevant Supply Meter Points that have been designated with the technical specification SMETS2;
- (c) the number of Advanced Meters at relevant Supply Meter Points that have been installed at Domestic Premises; and
- (d) the number of Advanced Meters at relevant Supply Meter Points that have been installed at Non-Domestic Premises

The UK Link system records the presence of Smart Metering Systems and Advanced Metering in the Meter Mechanism of the Meter Asset, and also the presence of an Automated Meter Reading (AMR) Device.

Within the Meter Mechanism there are three Codes – NS, S1 and S2. S1 and S2 indicate a Smart Metering Equipment Technical Specification of SMETS 1 and SMETS 2 respectively. These will equate to the reporting lines (a) and (b).

Within the workgroup it was clarified that the reporting lines (c) and (d) – i.e. the definition of 'Advanced Meter' includes EITHER Meter Assets recorded with a Meter Mechanism of NS (Non SMETS Compliant Smart Metering System) OR where an AMR Device is recorded at the Supply Meter Point. The report will report such Supply Meter Points and shall use the Market Sector Code data item to record such Meter Points in either line (c) or (d).