














UNC Modification	At what stage is this document in the process?
<h1>UNC 0692S:</h1> <h2>Automatic updates to Meter Read Frequency</h2>	<div>01 Modification</div> <div>02 Workgroup Report</div> <div>03 Draft Modification Report</div> <div>04 Final Modification Report</div>
<p><b>Purpose of Modification:</b></p> <p>To place an obligation on the CDSP to automatically update the Meter Read Frequency of a Class 3 or 4 Supply Meter Point to Monthly, if:</p> <ul style="list-style-type: none"> <li>a) The AQ increases to 293,000 kWh or above; or</li> <li>b) The Supply Point Register is updated to show that either Smart or Advanced metering equipment is in place.</li> </ul> <p>In addition to undertake a one-off exercise to update the Meter Read Frequency of all current registered Supply Meter Points to Monthly, where they meet at least one of the two criteria above.</p>	
	<p>The Proposer recommends that this Modification should be:</p> <ul style="list-style-type: none"> <li>• subject to self-governance</li> </ul> <p>This Modification will be presented by the Proposer to the Panel on <b>19 December 2019</b>. The Panel will consider the Proposer's recommendation and determine the appropriate route.</p>
	<p>High Impact:</p> <p>None</p>
	<p>Medium Impact:</p> <p>CDSP, Shippers</p>
	<p>Low Impact:</p> <p>Gas Transporters</p>

Contents		 Any questions?
1	Summary	3
2	Governance	5
3	Why Change?	5
4	Code Specific Matters	6
5	Solution	6
6	Impacts & Other Considerations	7
7	Relevant Objectives	7
8	Implementation	8
9	Legal Text	8
10	Recommendations	8
Timetable		 0121 288 2107
<b>The Proposer recommends the following timetable:</b>		Contact: <b>Joint Office of Gas Transporters</b>
Initial consideration by Workgroup	22 May 2019 (Distribution)	 <a href="mailto:enquiries@gasgovernance.co.uk">enquiries@gasgovernance.co.uk</a>
Workgroup Report presented to Panel	21 November 2019	 0121 288 2107
Draft Modification Report issued for consultation	21 November 2019	Proposer: <b>Louise Hellyer</b>
Consultation Close-out for representations	11 December 2019	 <a href="mailto:louise.hellyer@totalgp.com">mailto:louise.hellyer@totalgp.com</a>
Final Modification Report available for Panel	12 December 2019	 01737 275638
Modification Panel decision	19 December 2019 ( <i>at short notice</i> )	Transporter: <b>Cadent</b>
		 <a href="mailto:Gurvinder.Dosanjh@cadentgas.com">Gurvinder.Dosanjh@cadentgas.com</a>
		 0773 151572
		Systems Provider: <b>Xoserve</b>
		 <a href="mailto:UKLink@xoserve.com">UKLink@xoserve.com</a>

# 1 Summary

## What

Following the implementation of UNC Modification 0638V (Mandate monthly read submission for Smart and AMR sites from 01 April 2018) there is now a UNC obligation for all sites with Smart or Advanced metering to be read monthly, regardless of AQ. The update of the meter read frequency on the Supply Point Register is currently the responsibility of the Shipper but 12 months after the implementation of UNC Modification 0638V a significant number of Smart and Advanced meter points still have a lower read frequency (6-monthly or annual).

In addition, some meter points with a Rolling AQ equal to or greater than 293,000 kWh also have a non-monthly read frequency and should be Monthly read in accordance with the UNC.

For the avoidance of doubt must read requirements are at the discretion of the transporter and we do not look to change this in this Modification. It is therefore not anticipated that this change would increase must reads. To confirm it is the view that this should not be considered as a change of classification as referred to in G1.6.15. Therefore, the periods mentioned in this section do not apply, this should be reviewed for ensuring the legal text is correct.

## Why

Although all sites with a Rolling AQ equal to or greater than 293,000 kWh (UNC M5.9.1 (b)) and/or Smart or Advanced metering (UNC M5.9.1 (d)) should have a monthly read frequency, this is not always reflected on the Supply Point Register.

A summary of the count and Rolling AQ of meters points with a Meter Read Frequency other than Monthly as at February 2019 (Class 3 and 4 sites only) is set out below.

Non-Monthly Read Frequency	Number	Aggregate AQ
<b>AQ ≥ 293,000 kWh</b>	<b>2,000</b>	<b>1.7 tWh</b>
<b>Smart meter</b>	<b>7,038,000</b>	<b>92.7 tWh</b>
<b>AMR Equipment</b>	<b>191,000</b>	<b>11.5 tWh</b>
<b>Total</b>	<b>7,231,00</b>	<b>105.9 tWh</b>

Further breakdown on the meter classifications based on data at the end of June 2019:

SMP Count	AMR Indicator	Meter Mechanism	Installing Supplier = to Registered Supplier
205,201	Y	N/A	N/A
544,333		S2	N/A
4,964,704		S1	Y

12,482		NS	Y
1,426,453		S1	N
770,925		NS	N

	% SMPs with no accepted read over 1 month	% SMPs with no accepted read over 3 months
<b>Smart Equipment</b>	23.51%	13.08%
<b>AQ &gt; 293,000kWh</b>	14.44%	8.03%

The Unidentified Gas (UIG) Task Force (as established under UNC Modification 0658) has identified that low rates of meter read performance can be a significant contributing factor to UIG. The incorrect Meter Read Frequency could be contributing to lower read submission levels (because the Shipper is not receiving any notifications of overdue readings until either 6 or 12 months have elapsed).

The sites which are overdue for a meter reading could have an inaccurate AQ, which will result in inaccurate daily gas allocations (Class 3 and 4 sites only). The above total AQ represents around 20% of total LDZ throughput. For instance, if the AQs of these sites are understated by, say, 2% on average, this would be contributing 0.4% of total throughput to UIG.

For very large sites which are approaching the Class 1 threshold but are not Monthly Read, this will mean that Rolling AQ calculations could be less frequent, so that it will take many more months to meet the UNC G1.6.15 triggers for re-confirmation as Class 1.

This change was one of the UIG Task Force's proposed options to address UIG Issue 3.2.1 and was well-supported at the UIG Workgroup in January when it was first discussed.

Many Shippers may already be reading these meters on their portfolio on a monthly frequency and may be experiencing read rejections as a result of the incorrect meter point attributes.

## How

This Modification proposes that the CDSP should be given the authority to make changes to the Meter Read Frequency in the following circumstances:

- Where the Rolling AQ of a meter point increases to 293,000 kWh or above, the Meter Read Frequency should be amended to Monthly (if not already set to that value) with effect from the effective date of the new AQ.
- Where the Supply Point Register is updated to show that the meter point has either a Smart meter or Automated Meter Reading Equipment fitted, the Meter Read Frequency should be amended to Monthly (if not already set to that value) with immediate effect.

For the avoidance of doubt, this Modification does not propose any changes to the Meter Read Frequency when the Rolling AQ drops below the qualifying threshold or if the Supply Point Register is updated to show that Smart/AMR equipment has been removed. It would be up to the discretion of the Shipper to amend the Meter Read Frequency in those circumstances as is the current situation. No period between breaching the threshold and the CDSP updating is given to ensure reads start to flow monthly as soon as possible and to ensure consistency across the industry.

Smart metering classification will be assisted in the long term by the DCC flag in Xoserve systems which will in time allow the best classification. This flag is not yet fully operational so additional rule will also be included within the solution.

## 2 Governance

### Justification for Self-Governance

This Modification is recommended for self-governance procedures, on the basis that it is a minor change to industry governance and unlikely to have an impact on end consumers. This change would help Shippers by making updates to the Meter Read Frequency to make them compliant with UNC.

There should be little or no impact to end consumers: in all cases their Shipper should already be reading their meter every month, and for the majority of these sites the Shipper has a remote reading capability. This should not cause any additional inconvenience or disturbance to end consumers but will require Shippers to make the process changes envisaged by UNC Modification 0638V.

### Requested Next Steps

This Modification should:

- be considered a non-material change and subject to self-governance
- be assessed by a Workgroup

## 3 Why Change?

The current arrangements whereby the Meter Read Frequency must be updated by the Shipper have resulted in a large number of sites having incorrect UNC read frequencies, when compared to the Rolling AQ or recorded equipment. As at February 2019 the Supply Point Register showed over 7 million meter points that should be monthly read but were in fact 6-monthly or annually read.

This has led to lower meter read submission rates. In particular, for sites with Smart or AMR equipment on site, as of February 2019, over 900,000 sites (with a combined AQ of over 11 tWh) had not had a meter reading for over 3 months. If these sites had all been set to monthly read frequency, the Shipper would have been receiving pre-Notifications of overdue readings, which could have prompted them to obtain a reading.

Whilst the exact impact on UIG cannot be assessed, as the actual monthly readings are not visible to the industry, and the extent of any AQ errors is unknown, this contributes to risk in daily gas allocation, and delays to meter point reconciliation, which in turn prolongs the uncertainty around final UIG levels.

More proactive measures are required to address these inconsistencies between the Rolling AQ, and equipment and the Meter Read Frequency recorded on the Supply Point Register. As the general premise of UNC is that Shippers are responsible for data quality, a UNC Code Modification is required to give the CDSP authority to change this data item. A more active role for the CDSP would bring the Meter Read Frequency into line with the AQ and/or equipment on site, which in turn would improve meter read submission rates, due to the provision of better information to Shippers about overdue meter readings.

There are reports generated by Xoserve for the Transporters on what sites need must reads, these will need to be reviewed to ensure that they continue to meet the individual requirements of each Transporter.

For the classification of Smart meters, initially there will be a four stage process to assess if a meter is Smart and should be included within scope of this change. The intention is that in a number of years when the DCC have enrolled SMETS1 & NS Meters, that the second and third check can be stopped.

1. Use of the DCC flag: If the DCC flag is recorded as 'active' within UK Link then it will be determined for the purpose of this change that the meter is Smart. If not, for the purpose of this change, the meter will be considered dumb and the second check is conducted. Please note, for SMETS2 meters, these should be enrolled with the DCC already and therefore are able to set the DCC flag in UK Link as 'active'. The intention is for this to be fully rolled out for SMETS1 as well in the future.
2. If the meter does not have an 'active' DCC flag recorded within UK Link and is a SMETS1 or NS meter, a check is done between the effective [Supplier] and the installing [Supplier]. If these [Suppliers] are the same, the meter will be considered as smart and in scope of this change. If the [Suppliers] are not the same, the meter will be considered dumb and out of scope of this change.
3. If the meter does not have an 'active' DCC flag recorded within UK Link and is a SMETS2 meter it will be considered to be smart
4. If the meter has a Device Type of AMR the meter will be considered smart

Over time more and more meters should be enrolled within the DCC estate and therefore the 'active' DCC flag should be recorded within UK Link and it should be expected that only the DCC flag check would be required.

For the avoidance of doubt as part of the solution implementation, the CDSP will do a one-off exercise to identify all existing sites with incorrect non-Monthly Meter Reading Frequencies and amend the frequency to Monthly:

- a) Where a meter point has a Rolling AQ equal to or above 293,000 kWh.
- b) Where the Supply Point Register shows that the meter point has either a Smart meter or Automated Meter Reading Equipment fitted.

## 4 Code Specific Matters

### Reference Documents

UIG Task Force recommendations for Issue 3.2.1:

<https://www.xoserve.com/media/2493/321-uig-task-force-inaccurate-ood-aqs-euc09-sites-recommendations.pdf>

### Knowledge/Skills

Understanding of the UNC obligations around the setting of the Meter Read Frequency would be helpful.

## 5 Solution

This Modification proposes that the CDSP should be given the authority to make changes to the Meter Read Frequency in the following circumstances:

- a) Where the Rolling AQ of a meter point increases to, or is already at, 293,000 kWh or above, the Meter Read Frequency should be amended to Monthly (if not already set to that value) with effect from the effective date of the new AQ or if already at or above 293,000kWh, as soon as reasonably practical.
- b) Where the Supply Point Register indicates that the meter point has either a Smart meter or Automated Meter Reading Equipment fitted, the Meter Read Frequency should be amended to Monthly (if not already set to that value).

## 6 Impacts & Other Considerations

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

None

### Consumer Impacts

This change should not impact end consumers, as the Shipper should have remote reading capability at these sites.

### Cross Code Impacts

IGT MOD : 131 : Mirror the IGT Modification to this UNC Modification.

### EU Code Impacts

None

### Central Systems Impacts

CDSP systems will need to be changed to identify sites in both scenarios, to apply the required changes, and to notify the relevant Shipper of the changes that have been made. Therefore, the Modification implementation date should align with the CDSP solution delivery.

XRN 4941 : <https://www.xoserve.com/change/change-proposals/xrn-4941-auto-updates-to-meter-read-frequency-mod0692/>

## 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 <ol style="list-style-type: none"> <li>(i) the combined pipe-line system, and/ or</li> <li>(ii) the pipe-line system of one or more other relevant gas transporters.</li> </ol>	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

Securing of effective competition: Correct meter read frequencies will promote higher rates of meter read submission and more accurate AQs, and thus more accurate gas allocation and reconciliation, which will promote competition by reducing the barrier to entry that is currently being created by the high, unexplained levels of Unidentified Gas (UIG).

## 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. A Change Proposal will also be required to determine the cost of changing the CDSP's systems and processes to support this Modification.

## 9 Legal Text

Legal text to be provided.

## 10 Recommendations

### Proposer's Recommendation to Panel

Panel is asked to:

- Agree that self-governance procedures should apply
- Refer this proposal to a Workgroup for assessment.