





UNC Request		At what stage is this document in the process?
<h1>UNC 0XXX:</h1> <p><i>(Joint Office to insert number)</i></p> <h2>Review of Management of very low Annual Quantities</h2> <p><i>(proposer to provide a short, but informative, title)</i></p>		<div style="display: flex; flex-direction: column; align-items: flex-start;"> <div style="border: 1px solid #800040; padding: 5px; margin-bottom: 5px; width: 100%;">01 Request</div> <div style="border: 1px solid #0070C0; padding: 5px; margin-bottom: 5px; width: 100%;">02 Workgroup Report</div> <div style="border: 1px solid #FFA500; padding: 5px; width: 100%;">03 Final Modification Report</div> </div>
<p><b>Purpose of Request:</b> <i>(Proposer to provide a short description)</i></p> <p>Insert Text Here</p>		
	<p>The Proposer recommends that this request should be assessed by a Workgroup</p> <p>This request will be presented by the Proposer to the Panel on dd mmm yyyy <i>(Code Administrator to provide date)</i>.</p>	
	<p>High Impact: <i>(Proposer to identify impacted parties)</i></p> <p>None</p>	
	<p>Medium Impact: <i>(Proposer to identify impacted parties)</i></p> <p>CDSP Gas Shippers</p>	
	<p>Low Impact: <i>(Proposer to identify impacted parties)</i></p> <p>Transporters Suppliers</p>	

**Guidance On The Use Of This Template:**

*This is a modification template that the Proposer is asked to complete.*












*All parts other than the Solution (which is “owned” by the Proposer) may be refined by the workgroup process where relevant. A separate checklist is available to help identify impacts that, if material, should be recorded in this template.*

*If Ofgem are currently conducting a Significant Code Review (SCR), a modification may not be proposed if the subject matter relates to the SCR, unless Ofgem directs otherwise. Please do not, therefore, raise modifications that relate to the SCR without first talking to Ofgem.*

*If the impact of the modification on greenhouse gas emissions is likely to be material, please assess the quantifiable impact in accordance with the Carbon Costs Guidance (published by Ofgem).*

*The Joint Office is available to help and support the drafting of any modifications, including guidance on completion of this template and the wider modification process. Contact: [enquiries@gasgovernance.co.uk](mailto:enquiries@gasgovernance.co.uk) or 0121 288 2107.*

*Please contact Xoserve when drafting any modification that impacts central systems. They will be available to help and support the drafting of any modifications that impact central systems, including guidance on potential systems impacts and the drafting of business rules, which reflect system capabilities. Contact: [commercial.enquiries@xoserve.com](mailto:commercial.enquiries@xoserve.com).*

<b>Contents</b>		 <b>Any questions?</b>
<b>1 Request</b>	<b>3</b>	Contact: <b>Joint Office of Gas Transporters</b>
<b>2 Impacts and Costs</b>	<b>4</b>	 <a href="mailto:enquiries@gasgovernance.co.uk">enquiries@gasgovernance.co.uk</a>
<b>3 Terms of Reference</b>	<b>8</b>	 <b>0121 288 2107</b>
<b>4 Recommendation</b>	<b>9</b>	Proposer: <b>Insert name</b>
<b>About this document:</b>		 <b>email address</b>
<i>Please provide proposer contacts. The Code Administrator will update the contents and provide any additional Specific Code Contacts.</i>		 <b>telephone</b>
This document is a Request, which will be presented by the Proposer to the panel on dd month year.		Transporter: <b>Insert name</b>
The Panel will consider the Proposer's recommendation, and agree whether this Request should be referred to a Workgroup for review.		 <b>email address.</b>
		 <b>telephone</b>
		Systems Provider: <b>Xoserve</b>
		 <a href="mailto:UKLink@xoserve.com">UKLink@xoserve.com</a>
		 <b>telephone</b>
		Additional contacts: <b>Insert name</b>
		 <b>email address.</b>
		 <b>telephone</b>

## 1 Request

*The following paragraphs should be completed by the Proposer, be brief and in plain English using the standard styles for body text, bullets and numbered paragraphs as required.*

### Why is the Request being made?

*The Proposer should concisely give the main reason for the Request.*

### Overview

A review is proposed to consider the level (i.e. count) of Live Supply Meter Points with very low Annual Quantities (AQs), with a view to understanding how many may be erroneously low, and whether the current processes for AQ management have sufficient controls and measures in place to ensure that AQs do not remain very low for longer than they should, i.e. to ensure that AQs are increased promptly when sites begin consuming gas again.

### Background

There are currently (as of February 2021) around 340,000 live (i.e. registered to a Gas Shipper) Supply Meter Points with a Rolling AQ of 1 kWh. Around 27,000 of those SMPs have not had a valid meter reading accepted into UKLink system since Project Nexus Go-Live in June 2017.

Within the CDSP systems, 1 kWh is the lowest possible AQ (an AQ of 0 would cause failures in the billing systems) and this is a proxy for non-consuming site.

Root causes of an AQ of 1 kWh include:

- Read history showing no progression of reads (i.e. zero consumption)
- Shipper AQ corrections requesting that value as a proxy for zero consumption
- Overall negative consumption in an AQ calculation period – historic periods only (this is no longer current functionality)
- Historic (pre 2016) annual AQ process – 1 kWh was used as a default where calculated AQ appeared erroneous – if this value migrated from old UKLink and no actual calculations have taken place since June 2017

The consequences of an AQ of 1kWh are as follows:

- No LDZ Capacity charges will be billed, as the calculated charges as less than 1p (for Class 3 and 4 sites this requires the Formula Year AQ to also be 1 kWh)
- No gas is allocated each day to a Non-Daily Metered site, as the NDM algorithm would return a quantity of less than 1 kWh per day
- Any gas being consumed at these sites will cause Unidentified Gas, which would only be corrected by meter point reconciliation when valid reads are loaded to UKLink
- Valid meter readings showing a progression of reads may be rejected if the calculated energy quantity fails the read validation tolerances
- Physical system requirements in that part of the LDZ may be under-estimated if these sites are actually consuming gas on a regular basis

The AQ process relies on regular meter readings, and requires two readings at least nine months apart, in order to update an AQ. As a result some of these sites may actually be consuming gas without being allocated gas each day or being billed capacity charges each month. There is currently no process to

review or re-validate these AQs on a regular basis. The Large Gas Transporters' Must Read process stops at the pre-notification stage, so there is a reliance on Gas Shippers/Suppliers to ensure that site data is accurate and that meter readings are submitted.

## Scope

*The Proposer should concisely provide the scope of the Request.*

A review of the process for very low AQs should consider:

- Which AQ values are in scope, e.g. just AQ = 1, or (for instance) all AQs below 10 kWh
- Whether there are any other root causes that should be considered
- Ways to validate that the AQ should be still 1 kWh and if it should not, a process to update it
- Ways to get the AQ updated more quickly if the site starts consuming gas
- Ways to stop the AQ from staying as 1 kWh for longer than strictly necessary

## Impacts & Costs

*The Proposer should concisely state the key or potential impacts and costs to be considered in the Request. The Proposer should provide more information in section 2 if required.*

The outcomes of this review could be proposed process changes, additional Shipper obligations, changes to the CDSP's systems or UNC Modifications (or a combination of those). Those could involve industry costs, which would be part of the individual proposals.

## Recommendations

*The Proposer should state whether the objectives of the Request and the reasons why it should be issued to a Workgroup for consideration.*

We recommend that this Request is referred to a Workgroup where the impacts of the issue can be reviewed and relative benefits/costs of any proposed process improvements/solutions can be assessed and compared.

## Additional Information

*The proposer is to provide any additional information, which may support their Request.*

Insert text here

## 2 Impacts and Costs

### Consideration of Wider Industry Impacts

*Will the Request be impacted by or have an impact upon wider industry developments? If an impact is identified the Workgroup should justify why the benefit of the modification outweighs the potential impact.*

### Insert subheading here

Insert text here

## Impacts

### Impact on Central Systems and Process

Central System/Process	Potential impact
UK Link	<ul style="list-style-type: none"> <li>Proposed solutions could require changes to UKLink – would require a separate Change Proposal</li> </ul>
Operational Processes	<ul style="list-style-type: none"> <li>Proposed solutions could require changes to CDSP processes – would require a separate Change Proposal</li> </ul>

Impact on Users	
Area of Users' business	Potential impact
Administrative and operational	<ul style="list-style-type: none"> <li>Proposed solutions could require Users to enhance their business processes – would require a justification based on (for instance) UIG reduction</li> </ul>
Development, capital and operating costs	<ul style="list-style-type: none"> <li>Proposed solutions could require changes to Users' systems to comply with new process requirements – would require a separate Change Proposal or UNC Modification</li> </ul>
Contractual risks	<ul style="list-style-type: none"> <li>Would depend on each User's contracts with their customers</li> </ul>
Legislative, regulatory and contractual obligations and relationships	<ul style="list-style-type: none"> <li>Proposed solutions could place additional UNC obligations on Users – would probably also add Performance Assurance reporting which would require compliance monitoring by each User</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>Proposed solutions might require additional activities by Transporters – this would require a UNC Modification and cost justification</li> </ul>
Recovery of costs	<ul style="list-style-type: none"> <li>Transporters would expect the funding of any additional activities to be targeted at the correct parties</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>
Legislative, regulatory and contractual obligations and relationships	<ul style="list-style-type: none"> <li>Depends on proposed solutions</li> </ul>
Standards of service	<ul style="list-style-type: none"> <li>Proposed solutions might place additional UNC obligations on Transporters – would probably also add Performance Assurance reporting which would require compliance monitoring by each Transporter</li> </ul>

Impact on Code Administration

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>None identified</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>Depends on proposed solutions, likely to relate to Section G (Supply Points), possibly Section M (Metering) impacts as well</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>Possible impacts, depending on proposed solutions</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>
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	<ul style="list-style-type: none"> <li>None identified</li> </ul>

Impact on UNC Related Documents and Other Referenced Documents	
amendment system capacity	
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>Possible impacts, depending on proposed solutions</li> </ul>
Shares 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>Possible impacts, depending on proposed solutions</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></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>
Credit Rules	<ul style="list-style-type: none"> <li>None identified</li> </ul>
UK Link Manual	<ul style="list-style-type: none"> <li>None identified</li> </ul>
	<ul style="list-style-type: none"> <li></li> </ul>

**Impact on Core Industry Documents and other documents**

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>None identified</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>None identified</li> </ul>

### 3 Terms of Reference

*Suggested Terms of Reference may be provided by the Proposer for consideration by the Panel*

#### Background

Insert text here

#### Topics for Discussion

- Understanding the objective and agree Terms of Reference
- Determine the scope including which AQ values are in scope
- Assess the latest position, including count of sites and age profile and consider methods of assessing the true materiality
- Understand the root causes of low AQs – industry input/case studies will be requested to support this
- Understand the barriers (tangible and intangible) to identifying incorrectly low AQs and revising where required
- Identification of a wide range potential solutions: preventative/corrective/information measures
- Assessment of potential solutions (scale/effectiveness of benefit, ease of implementation)
- Agreement/consensus on a portfolio of preferred solutions
- Development of UNC Modifications, Change Proposals, process improvements, other changes as required
- Drafting of Workgroup Report



## Outputs

Produce a Workgroup Report for submission to the Modification Panel, containing the assessment and recommendations of the Workgroup including draft modification(s) and/or Change Proposals where appropriate.

## Composition of Workgroup

The Workgroup is open to any party that wishes to attend or participate.

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 0XXX progress to Workgroup for review.