










UNC Modification	At what stage is this document in the process?
<h1 data-bbox="134 322 692 412">UNC 0XXX:</h1> <p data-bbox="134 448 692 483"><i>(Code Administrator to issue reference)</i></p> <h2 data-bbox="134 506 876 566">Gas Vacant Sites Process</h2>	<div data-bbox="1209 309 1468 627"> <div data-bbox="1209 309 1468 383">01 Modification</div> <div data-bbox="1209 389 1468 463">02 Workgroup Report</div> <div data-bbox="1209 470 1468 544">03 Draft Modification Report</div> <div data-bbox="1209 551 1468 627">04 Final Modification Report</div> </div>
<p>Purpose of Modification:</p> <p>Provide Shippers with the ability to effectively manage their Settlement Performance Obligations and Transportation Costs for Vacant sites.</p>	
<p>Next Steps:</p> <p><i>Please provide an initial view of the preferred governance route/pathway and impacted parties</i></p> <p>The Proposer recommends that this Modification should be: <i>(delete as appropriate)</i></p> <ul style="list-style-type: none"> • subject to [Fast Track] Self-Governance • considered a material change and not subject to Self-Governance • assessed by a Workgroup • proceed to Consultation • treated as urgent and should proceed as such under a timetable agreed with the Authority <p>This Modification will be presented by the Proposer to the Panel on dd Month 202y <i>(Code Administrator to provide date)</i>. The Panel will consider the Proposer’s recommendation and determine the appropriate route.</p> <p><i>Please consider providing a presentation to introduce the Modification to the UNC Modification Panel which should be sent with your Modification to the Joint Office (a suggested template is available at: https://www.gasgovernance.co.uk/unc/templates)</i></p>	
<p>Impacted Parties: <i>(delete as appropriate)</i></p> <p><i>Proposer to identify impacted parties e.g. Suppliers, Shippers, Distribution Network Operators, Independent Gas Transporters, Consumers)</i></p> <p>High:</p> <p>Low:</p> <p>None:</p>	
<p>Impacted Codes: <i>(delete as appropriate)</i></p>	

Proposer to identify any other impacted energy code e.g. Supply Point Administration Agreement, Independent Gas Transporters UNC, Balancing and Settlement Code. Please refer to the [Code Administration Code of Practice \(CACoP\)](#) for energy Code Administrators.

Insert Text Here

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2	Governance	4	 enquiries@gasgovernance.co.uk
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7	Relevant Objectives	11	Transporter: Insert name and Organisation
8	Implementation	13	 email address
9	Legal Text	13	 telephone
10	Recommendations	14	Systems Provider: Xoserve
Timetable			 UKLink@xoserve.com
Please provide proposer contacts and an indicative timeline. The Code Administrator will update the contents and provide any additional Specific Code Contacts.			Other: Insert name
Modification timetable: (amend as appropriate)			 email address
Pre-Modification Discussed	dd month year		 telephone
Date Modification Raised	dd month year		
New Modification to be considered by Panel	dd month year		
First Workgroup Meeting	dd month year		
Workgroup Report to be presented to Panel	dd month year		
Draft Modification Report issued for consultation	dd month year		
Consultation Close-out for representations	dd month year		
Final Modification Report available for Panel	dd month year		
Modification Panel decision	dd month year		

Guidance on the use of this Template:

Please complete all sections unless specifically marked for the Code Administrator.

Green italic text is provided as guidance and should be removed before submission.

The Code Administrator 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 or 0121 288 2107. Proposers may also wish to refer to the Modification Proposal Guidelines Document available at: <https://www.gasgovernance.co.uk/unc/templates>

1 Summary

What

This modification proposes to give Shippers the ability to effectively manage Settlement Performance Obligations and reduce Transportation Costs when proposed Vacant criteria is met and a Shipper has chosen to set a site to Vacant.

Why

Within the current economic climate there are many domestic and commercial properties that have become Vacant, with the Shipper unable to access the property or contact the customer to obtain meter readings. In certain circumstances, a warrant can be obtained through the courts however this can be a costly procedure and requires a considerable amount of time and effort. However, despite these facts gas Shippers are unable to effectively reduce their Settlement Performance Obligations and transportation cost exposure to these sites, as:

- An AQ for a site can only be amended by obtaining meter readings
- A Shipper/Supplier cannot access the site(s) to obtain meter readings
- A Shipper is unable to contact the customer to obtain meter readings

How

The modification proposes that once a site has met proposed Vacant criteria the Shipper is given the ability to contact the CDSP to remove Settlement Performance Obligations and stop Transportation Costs while the site is in a Vacant status.

Shippers would continue to apply the isolation and withdrawal process where it is deemed appropriate and possible, noting that the majority of isolations can only be applied with access to the property. The process proposed under this modification regarding Vacant sites is independent to the current isolation and withdrawal processes. There are no proposed changes to the isolation or withdrawal processes as a result of this modification.

This modification also seeks to introduce additional reporting to Performance Assurance Committee (PAC) (and a corresponding anonymised report) in the Performance Assurance Report Register (PARR) regarding the Vacant sites process. This is likely to include the count of Supply Meter Points where the CDSP have been notified of Vacant criteria being met and the total count of sites that have a Vacant Status and the duration they have had this status.

2 Governance

Justification for [Fast Track] Self-Governance, Authority Direction or Urgency

Insert text here.

Please state clearly which governance procedures apply and why, referring to the relevant criteria (reproduced by the Code Administrator below):

*The proposer must explain the level of materiality that justifies the chosen route. **MATERIALITY MUST BE EVIDENCED TO REQUEST AUTHORITY DIRECTION***

Self-Governance Criteria (please refer to the Authority Direction/Self Governance Materiality Guidance published at <https://www.gasgovernance.co.uk/mods> and delete criteria):

The modification:

(i) is unlikely to have a material effect on:

- (aa) existing or future gas consumers; and*
- (bb) competition in the shipping, transportation or supply of gas conveyed through pipes or any commercial activities connected with the shipping, transportation or supply of gas conveyed through pipes; and*
- (cc) the operation of one or more pipe-line system(s); and*
- (dd) matters relating to sustainable development, safety or security of supply, or the management of market or network emergencies; and*
- (ee) the uniform network code governance procedures or the network code modification procedures; and*

(ii) is unlikely to discriminate between different classes of parties to the uniform network code/relevant gas transporters, gas Shippers or DN operators.

Fast Track Self-Governance Criteria (please delete criteria):

The modification:

- a. would meet the Self-Governance criteria; and*
- b. is properly a housekeeping modification required as a result of some error or factual change, including but not limited to:
 - i. updating names or addresses listed in the uniform network code;*
 - ii. correcting minor typographical errors;*
 - iii. correcting formatting and consistency errors, such as paragraph numbering; or*
 - iv. updating out of date references to other documents or paragraphs.**

Requested Next Steps

This Modification should: *(delete as appropriate)*

- be considered a non-material change and subject to Self-Governance.
- be considered a material change and not subject to Self-Governance.
- be subject to [Fast Track] Self-Governance.
- be assessed by a Workgroup.
- proceed to Consultation.

- be treated as urgent and should proceed as such under a timetable agreed with the Authority.

Please provide any additional information to support your preferred next steps, such as any critical events driving the timeline. For instance, if you wish your proposal to be issued directly to consultation without workgroup assessment, you must explain why such an assessment is not required and include details of any pre-modification engagement.

Insert text here

3 Why Change?

Currently there is no process that allows Shippers to remove Settlement Performance Obligations or reduce Transportation Costs for Vacant sites without submitting meter readings. However, when a site is Vacant it is difficult for Shippers and meter reading agents to obtain meter readings. In certain circumstances, a warrant can be obtained through the courts however this is a costly procedure and requires a considerable amount of time and effort. This leaves Shippers paying inflated Transportation Costs until meter readings are obtained and submitted into settlement, noting that some costs become unrecoverable when the last actual reading pre dates the Line in the Sand date.

By providing Shippers with the ability to reduce Transportation Costs to reflect real time usage it will ensure that Shippers are not paying upfront costs, noting that this would be particularly useful to the smaller market participants that might not have access to large amounts of cashflow for upfront costs, promoting market competition.

4 Code Specific Matters

Please include any Code Related Documents or Guidance notes that are relevant. Weblinks are very helpful. Also, any specific analytical or assessment-related skills you believe would aid the assessment.

Reference Documents

Insert text here.

Knowledge/Skills

Insert text here.

5 Solution

Proposed Entry Criteria

It is proposed that a new process be established to allow Shippers to remove sites from Settlement Performance Obligations and reduce their cost exposure to Vacant sites, through a process similar to which exists in the Electricity market. It is intended at this time that the Vacant process, if implemented, will only be available to Shippers where it is:

- Live
- In the Shippers Ownership
- Product Class 4
- Annually or Monthly Read (MRF)

- Small Supply Point (SSP) or Large Supply Point (LSP)
- Independent Gas Transporter (IGT) or Gas Transporter (GT)
- Non-SMETS or AMR Meter (Standard Meter)
- SMETS Meter with a Non-Active DCC Flag
- Non-active AMR Meter

The Shipper would be responsible for ensuring the below proposed criteria is met before a site could be made Vacant:

1. Site is non-consuming
 - a. To the best of the Shipper's knowledge the site is non-consuming
2. Site is Live
3. Site is in the Shippers Ownership
4. Site is Product Class 4
 - a. Annually or Monthly Read (MRF)
 - b. Small Supply Point (SSP) or Large Supply Point (LSP)
 - c. Independent Gas Transporter (IGT) or Gas Transporter (GT)
 - d. Non-SMETS or AMR Meter (Standard Meter)
 - e. SMETS Meter with a Non-Active DCC Flag
 - f. Non-active AMR Meter
5. Site is Unoccupied
 - a. Property is not currently being used as a dwelling
 - b. Property is not currently being used as a place of business
6. No Access to Site
 - a. Meter reader is unable to gain access to the property to read the meter*
 - b. Shipper is unable to contact the Customer for meter readings**
 - c. Customer has not provided meter readings

*Shippers must be able to demonstrate the meter reader has attempted to visit and access the property to obtain meter reading(s). There must be two visits, at least 3 months apart but no more than 9 months apart, with the latest visit being within 3 months of requested entry to the Vacant process.

Noting that there must be no other information received or obtained that suggests anything other than a Vacant Status, otherwise the qualifying visits are void.

(and)

** Shipper must proactively make attempts to identify the owner of the property to obtain meter readings. The following could be seen as proactive attempts to identify the owner of the property to obtain meter readings:

- Checks to see whether the same problems in obtaining meter readings occur for Electricity (noting that this is only possible where the Supplier supplies both Gas and Electricity to the property); or
- Attempts have been made to contact such bodies as estate agents, letting agents, councils, the land registry etc to find out who the owner is. Where the owner has been identified, attempts have been made, and recorded, to contact the owner and obtain meter readings without success

The Shipper would need to maintain records of the checks outlined above that have been carried out in their monitoring of Vacant sites.

Gas Vacant Status

Where a Shipper has ensured that the above criteria has been met and wishes to utilise the Vacant process the Shipper will notify the CDSP to enter the site into Vacant.

Settlement and Commodity Relief

At the point the site is entered into a Vacant Status by the CDSP, Settlement Performance Obligations, Commodity Costs, Daily Allocation and UIG will cease prospectively. For the avoidance of doubt, this cease to Settlement Performance Obligations, Commodity Costs, Daily Gas Allocation and UIG Allocation will be prospective only from the point the Vacant Status is applied/entered. Any retrospective ceases are out of scope of this Modification and process.

Capacity Relief

Where a site has been in a Vacant Status for 12 months or more with the same Registered User, the Shipper will have the option to set the AQ to 1 through the AQ correction process (new correction code / eligible causes).

Maintain Vacant Status

For a site to remain Vacant, Shippers must be able to demonstrate the meter reader has attempted to visit the property to obtain meter readings every 6 months, from the date the Vacant Status was set.

Shipper must continue to proactively make attempts to identify the owner of the property to obtain meter readings. The following could be seen as proactive attempts to identify the owner of the property to obtain meter readings:

- Checks to see whether the same problems in obtaining meter readings occur for Electricity (noting that this is only possible where the Supplier supplies both Gas and Electricity to the property); or
- Attempts have been made to contact such bodies as estate agents, letting agents, councils, the land registry etc to find out who the owner is. Where the owner has been identified, attempts have been made, and recorded, to contact the owner and obtain meter readings without success

The Shipper would need to maintain records of the checks outlined above that have been carried out in their monitoring of Vacant sites.

Exit Criteria

A site will be removed from a Vacant Status when:

1. At the request of the Shipper
2. Site is no longer in the Shippers Ownership (CoS)
3. Supplier of Last Resort (SoLR) event has taken place
4. AQ Correction has been completed
5. Read is submitted into UK Link
6. ONJOB is submitted into UK Link

*For the avoidance of doubt, in relation to points 5 and 6, the trigger is the Read or ONJOB being submitted to the CDSP, regardless of it being accepted and processed centrally.

Vacant Status Removal

Settlement and Commodity Relief

The CDSP will remove the Vacant Status with Settlement Performance Obligations, Commodity Costs, Daily Allocation and UIG recommencing.

Capacity Relief

The CDSP will remove the Vacant Status and reinstate the pre-Vacant sites Rolling and Fixed Year AQ.

For the avoidance of doubt at the same time the pre-Vacant sites Rolling and Fixed Year AQ are reinstated, Settlement Performance Obligations, Commodity Costs, Daily Allocation and UIG will recommence.

The Shipper will be unable to make amendments to the AQ while the CDSP is returning the site to a Pre-Vacant Rolling and Fixed Year AQ.

Monitoring

This Modification also seeks to introduce additional reporting to Performance Assurance Committee (PAC) (and a corresponding anonymised report) in the Performance Assurance Report Register (PARR) regarding the Vacant sites process. This is likely to include the count of Supply Meter Points where the CDSP have been notified of Vacant criteria being met and the total count of sites that have a Vacant Status and the duration they have had this status.

6 Impacts & Other Considerations

All parts of this section must be completed; showing "None" where the Proposer believes this is so.

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

In the event there is an impact on an SCR, Proposers must confirm that they have Ofgem approval to proceed.

Insert text here.

Consumer Impacts

Proposers must provide their view of the impacts on all consumer groups that may be affected; this will be supported by further input from Workgroup participants later in the process. Proposers should also consider Ofgem's Priorities and Objectives (<https://www.ofgem.gov.uk/about-us/our-priorities-and-objectives>).

If 'none', please also explain.

Insert text here.

What is the current consumer experience and what would the new consumer experience be?

Proposer should explain:

- 1. the common end consumer's experience of the issue the modification seeks to address; and*
- 2. the experience of end consumers if this modification is not implemented.*
- 3. how the end consumer experience will change with the introduction of the modification, setting out both positives and negatives.*

Insert text here.

When filling in the table below please consider and record impacts for each consumer group:

- Domestic Consumers*
- Small non-domestic Consumers*
- Large non-domestic Consumers*
- Very Large Consumers*

Impact of the change on Consumer Benefit Areas:	
Area	Identified impact
<p>Improved safety and reliability</p> <p><i>Will this change mean that the energy system can operate more safely and reliably now and in the future in a way that benefits end consumers?</i></p> <p><i>This area would relate to changes which balance the system safely, securely and at optimum cost, particularly for consumers in vulnerable situations.</i></p> <p>Insert text here</p>	Positive/Negative/None

<p>Lower bills than would otherwise be the case</p> <p><i>Will this change lower consumers' bills by controlling, reducing, and optimising spend, for example on balancing and operating the system?</i></p> <p><i>This area would relate to changes that are likely to benefit end consumers. This could include any change where it has been demonstrated that it could lower bills for end consumers. It would also consider changes which introduce flexibility across the market to flow energy at the most efficient profile, lower operational costs. and make sure GB consumers can access the cheapest sources of energy.</i></p> <p><i>If possible, this section should include any quantifiable benefits.</i></p> <p><i>What costs or benefits will pass through to consumers?</i></p> <p>Insert text here</p>	<p>Positive/Negative/None</p>
<p>Reduced environmental damage</p> <p><i>Will this Modification Proposal support:</i></p> <ul style="list-style-type: none"> <i>• a reduction in Greenhouse Gas emissions?</i> <i>• new providers and technologies?</i> <i>• a move to hydrogen or lower greenhouse gases?</i> <i>• the journey toward statutory net-zero targets?</i> <i>• decarbonisation?</i> <p><i>This area would relate to changes which demonstrate innovative work to design solutions which ensure the system can operate in an environmentally sustainable way both now and in the future.</i></p> <p><i>Proposers must provide the impact (if any) of the Modification proposed on Greenhouse Gas Emissions, if it is likely to be material. The Proposer shall assess the quantifiable impact of such Modification in accordance with the Authority's Carbon Costs Guidance</i></p> <p>Insert text here</p>	<p>Positive/Negative/None</p>
<p>Improved quality of service</p> <p><i>This area would focus on demonstrating why and how the change can improve the quality of service for some or all end consumers. Improved service quality ultimately benefits the end consumer due to interactions in the value chains across the industry being more seamless, efficient, and effective.</i></p> <p>Insert text here</p>	<p>Positive/Negative/None</p>
<p>Benefits for society as a whole</p> <p><i>This area would relate to any other identified changes to society, such as jobs or the economy.</i></p> <p>Insert text here</p>	<p>Positive/Negative/None</p>

Cross-Code Impacts

Please identify any other impacted energy code – e.g. iGT UNC or SPAA a full list is available in the CACoP (Ofgem) - and the extent of those impacts e.g. a similar Modification has or will need to be raised in another Code. It is likely that Panel will request joint Workgroup meetings.

Explain how you intend to address any consequential Cross Code impacts.

Insert text here.

EU Code Impacts

Please identify any impacted EU energy code

Insert text here.

Central Systems Impacts

Proposers must provide their view of the impacts on central systems (inc. Gemini and UK Link) that may be affected; this will be supported by further input from the Central Data Services Provider (Xoserve) later in the process. If 'none', please also explain.

Explain how you intend to address any consequential Data Services Contract impacts.

Insert text here.

7 Relevant Objectives

Impact of the Modification on the Transporters' Relevant Objectives:

Relevant Objective	Identified impact
a) Efficient and economic operation of the pipe-line system.	Positive/Negative/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.	Positive/Negative/None
c) Efficient discharge of the licensee's obligations.	Positive/Negative/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/Negative/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.	Positive/Negative/None
f) Promotion of efficiency in the implementation and administration of the Code.	Positive/Negative/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.	Positive/Negative/None
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AND/OR, for Section Y (Charging Methodology) Modifications

Impact of the Modification on the Transporters' Relevant Charging Methodology Objectives:	
Relevant Objective	Identified impact
a) Save in so far as paragraphs (aa) or (d) apply, that compliance with the charging methodology results in charges which reflect the costs incurred by the licensee in its transportation business;	Positive/Negative/None
aa) That, in so far as prices in respect of transportation arrangements are established by auction, either: (i) no reserve price is applied, or (ii) that reserve price is set at a level - (I) best calculated to promote efficiency and avoid undue preference in the supply of transportation services; and (II) best calculated to promote competition between gas Suppliers and between gas Shippers;	Positive/Negative/None
b) That, so far as is consistent with sub-paragraph (a), the charging methodology properly takes account of developments in the transportation business;	Positive/Negative/None
c) That, so far as is consistent with sub-paragraphs (a) and (b), compliance with the charging methodology facilitates effective competition between gas Shippers and between gas Suppliers; and	Positive/Negative/None
d) That the charging methodology reflects any alternative arrangements put in place in accordance with a determination made by the Secretary of State under paragraph 2A(a) of Standard Special Condition A27 (Disposal of Assets).	Positive/Negative/None
e) 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.	Positive/Negative/None

In the case of a modification to a NTS Charging Methodology, please state why the modification does not conflict with:

- (i) paragraphs 8, 9, 10 and 11 of Standard Condition 4B of the Transporter's Licence; or*
- (ii) paragraphs 2, 2A and 3 of Standard Special Condition A4 of the Transporter's Licence;*

In the case of a modification to the NTS Connection Charging Methodology, please contact the Joint Office for the appropriate relevant objectives.

Proposers must provide a demonstration of how the Relevant Objectives are furthered.

Insert text here.

8 Implementation

As far as they are known, the anticipated implementation costs for all industry parties (e.g. Transporters, Shippers, adjacent TSOs, Storage/Terminal Operators, central systems, customers) should be provided.

Provide any views you have on implementation timescales, including the costs and benefits of a range of implementation options where appropriate.

If a suggested implementation date is not provided and the decision is to accept the modification, then the Transporters will set the implementation date.

*If a timescale for implementation is suggested, the format explained below **must** be used, and brief reasons provided for each suggested date.*

- At least two fixed implementation dates must be specified, and for each of these the latest date by which an implementation decision is required if the date is to apply: e.g. 01 June 2014 if a decision to implement is issued by 15 May 2014; 01 September 2014 if a decision to implement is received by 06 August 2014.*
- In addition, a backstop lead time must be specified to allow for any later decision date: e.g. if a decision to implement is received after 06 August 2014, implementation 21 business days following the decision to implement.*

Suggested wording for Self-Governance Modifications:

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.

Suggested wording for Fast Track Self-Governance Modifications:

As Fast Track Self-Governance procedures are proposed, implementation could be sixteen business days after a unanimous vote in favour of implementation by the Modification Panel, subject to no Objection being raised.

9 Legal Text

Proposers are welcome to provide Suggested Legal Text alongside their modification but are under no obligation to do so unless Fast Track procedures are requested (see above).

Legal text will be drawn up by the relevant Transporter at a time when the Modification is sufficiently developed in line with the [Legal Text Guidance Document](#).

Text Commentary

Insert text here.

Text

Insert text here.

10 Recommendations

Proposer's Recommendation to Panel

Panel is asked to: *[Delete as appropriate]*

- Agree that [Fast Track] Self-Governance procedures should apply.
- Agree that Authority Direction should apply.
- Refer this proposal to a Workgroup for assessment.
- Issue this Modification directly to Consultation.
- Agree that this Fast-Track Self-Governance Modification Proposal should be implemented.

Document Control to be removed upon completion of the template.

Document Control Sheet

Document ID Stage 01	Title Stage 01 UNC Standard Modification Template	Publication Date 24 May 2021
Version 4.0	Prepared by Helen Cuin	Date Prepared 04 November 2020
Effective Date 24 May 2021	Reviewed by Joint Office and Panel	Date Reviewed 20 May 2021
	Approved by Panel	Date Approved 20 May 2021

Revision History

Version	Date	Review frequency	Reason for update
3.0	02 May 2019	TBC	Current published Version
3.8	04 November 2020	TBC	CACoP insertion of Consumer Benefit Areas Joint Office suggested changes and insertion of Document Control Sheet.
4.0	20 May 2021	TBC	Panel approval following insertion of Consumer Benefit Areas