

**Workstream Report**  
**Facilitating the Use of Remote Meter Reading Equipment**  
**for the Purposes of Demand Estimation Forecasting Techniques**  
**Modification Reference Number 0258**

Version 1.0

This Workstream Report is presented for the UNC Modification Panel's consideration. The Distribution Workstream considers that the Proposal is sufficiently developed and should now proceed to the Consultation Phase.

## **1 The Modification Proposal**

Uniform Network Code (UNC), Transportation Principle Document (TPD) Section H 1.6 specifies obligations placed on Transporters to obtain data from Supply Meter Points contained within a sample for each LDZ for the purposes of developing End User Categories and Demand Models used in the Demand Estimation process.

UNC TPD Section H sets out two distinct groups for Demand Estimation sampling; Supply Points with an Annual Quantity (AQ) greater than 2,196,000 kWh (75,000 tpa) and Supply Points with an AQ equal to or less than 2,196,000 kWh. The current arrangements for sites with an AQ equal to or less than 2,196,000 kWh fall into a further two categories. The two categories are specified in UNC TPD Section H 1.6.5 (a), which stipulates for all LDZs there should be approximately 3,900 sites data logged of which 2,700 will be subject to Section H 1.6.2 (a) and a further 1,200 which are subject to Section H 1.6.2 (b). UNC TPD Sections H 1.6.2 (a) and H 1.6.2 (b) differ in that paragraph (a) requires data recorders to be fitted and paragraph (b) requires Daily Read Equipment to be installed. UNC TPD Section H 1.6.3 (a) defines a data recorder as “a device which captures Meter Readings at the start of each Day, but is capable of being read only at the Supply Point premises”.

Currently, the Section H 1.6.3 definition of a data recorder would rule out the installation of Daily Read Equipment on the 2700 (approximate figure) sites referred to in Section H 1.6.5 (a), which are subject to paragraph 1.6.2 (a), with an AQ  $\leq$  2,196,000 kWh. The definition of Daily Read Equipment is detailed in Section M 4.1.1 of the UNC TPD and permits the capture of data remotely. The data recorder definition rules out the use of meter reading equipment which is capable of being read remotely.

There is a further definition of “Remote Meter Reading Equipment” which is defined in UNC TPD Section M 1.4.3 (j) as:

“Remote Meter Reading Equipment is equipment which enables Meter Readings to be obtained remotely at set intervals and which comprises a device for capturing from the Supply Meter and/or (where installed) a converter, data which constitutes or permits a derivation of a Meter Reading and suitable equipment as shall be required for transmitting such data.”

As the current definition of Daily Read Equipment, specified in UNC TPD Section M 4.1.1 is focused on the purposes of Section M the proposer suggests it would be correct to replace the use of the Daily Read Equipment definition with that of the Remote Meter Reading Equipment definition in H 1.6.2 (b), 1.6.3 (b) and 1.6.9 (b)

but with the associated protection offered to Daily Read Equipment as detailed in UNC TPD Sections M4.1.9, 4.1.10, and 4.1.11 for UNC TPD Section H purposes only.

xoserve, acting on behalf of the Transporters is considering methods to improve the data quality currently captured for the group of sites with an AQ  $\leq$  2,196,000 kWh. The Transporters have historically installed data recorders at smaller sites in this category as opposed to Daily Read Equipment or Remote Meter Reading Equipment which in turn has provided data which is collated and communicated to xoserve for analysis at regular intervals. Where data recorders have malfunctioned or in instances where Supply Point premises have been vacated the subsequent data unavailability is not realised until the data recorder is visited by xoserve's contractor, sometimes months after the data stream is terminated. Reducing the level of such data losses could improve the quality of the Demand Estimation models.

It is the intention of this Modification to extend the option of installing Remote Meter Reading Equipment to all Demand Estimation sample sites with an AQ  $\leq$  2,196,000 kWh which in the proposer's view would:

- Reduce the occurrence of data loss from recorders malfunctioning.
- Improve the quantity and quality of data available for demand estimation purposes.

It is also the intention of this proposal to replace the definition of Daily Read Equipment for sites  $>$ 2,196,000 kWh with Remote Meter Reading Equipment in UNC TPD Section H 1.6.2 (b).

## 2 User Pays

### a) Classification of the Proposal as User Pays or not and justification for classification

Classified as **not** User Pays. Any costs associated with procuring new Remote Meter Reading Equipment for NDM sampling purposes will be met by Transporters. Transporters are obligated to carry out this service and are funded centrally. There have been no further additional costs identified with the implementation of this Modification which would justify its designation as a User Pays Modification.

### b) Identification of Users, proposed split of the recovery between Gas Transporters and Users for User Pays costs and justification

Not applicable.

### c) Proposed charge(s) for application of Users Pays charges to Shippers

Not applicable.

### d) Proposed charge for inclusion in ACS – to be completed upon receipt of cost estimate from xoserve

Not applicable.

**3 Extent to which implementation of the proposed modification would better facilitate the relevant objectives**

**Standard Special Condition A11.1 (a): *the coordinated, efficient and economic operation of the pipe-line system to which this licence relates;***

Implementation would not be expected to better facilitate this relevant objective.

**Standard Special Condition A11.1 (b): *so far as is consistent with sub-paragraph (a), the (i) the combined pipe-line system, and/ or (ii) the pipe-line system of one or more other relevant gas transporters;***

Implementation would not be expected to better facilitate this relevant objective.

**Standard Special Condition A11.1 (c): *so far as is consistent with sub-paragraphs (a) and (b), the efficient discharge of the licensee's obligations under this licence;***

This modification provides flexibility regarding the type of equipment procured to support demand estimation, as it creates the ability to choose the most economic and efficient approach to data collection, implementation of the Proposal would be consistent with the DN's Licence obligations.

**Standard Special Condition A11.1 (d): *so far as is consistent with sub-paragraphs (a) to (c) the 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;***

In time implementation would also support accurate data collection and so would be expected to contribute towards accurate cost allocations between Shippers, which would facilitate effective competition.

**Standard Special Condition A11.1 (e): *so far as is consistent with sub-paragraphs (a) to (d), the provision of reasonable economic incentives for relevant suppliers to secure that the domestic customer supply security standards (within the meaning of paragraph 4 of standard condition 32A (Security of Supply – Domestic Customers) of the standard conditions of Gas Suppliers' licences) are satisfied as respects the availability of gas to their domestic customers;***

Implementation would not be expected to better facilitate this relevant objective.

**Standard Special Condition A11.1 (f): *so far as is consistent with sub-paragraphs (a) to (e), the promotion of efficiency in the implementation and administration of the network code and/or the uniform network code.***

This Modification Proposal removes the definition of Daily Read Equipment from UNC TPD section “H” replacing it with Remote Meter Reading Equipment. It is the proposer’s view that confining the definition of Daily Read Equipment to UNC TPD sections “G” and “M” clarifies the specific areas within the code where the two definitions should be used.

**4 The implications of implementing the Modification Proposal on security of supply, operation of the Total System and industry fragmentation**

This Modification Proposal would increase the optionality around how Transporters collect Supply Point data for Demand Estimation purposes. The ability to utilise Remote Meter Reading Equipment for all Demand Estimation Supply Points would further enhance the quantity and quality of data collected by allowing early recognition of faulty equipment and also where Supply Point premises have become vacant.

**5 The implications for Transporters and each Transporter of implementing the Modification Proposal, including:**

**a) implications for operation of the System:**

None identified.

**b) development and capital cost and operating cost implications:**

No additional costs associated with the implementation of this Modification Proposal have been identified.

**c) extent to which it is appropriate to recover the costs, and proposal for the most appropriate way to recover the costs:**

None identified.

**d) Analysis of the consequences (if any) this proposal would have on price regulation:**

None identified.

**6 The consequence of implementing the Modification Proposal on the level of contractual risk of each Transporter under the Code as modified by the Modification Proposal**

None identified.

**7 The high level indication of the areas of the UK Link System likely to be affected, together with the development implications and other implications for the UK Link Systems and related computer systems of each Transporter and**

## **Users**

None identified.

### **8 The implications of implementing the Modification Proposal for Users, including administrative and operational costs and level of contractual risk**

*Administrative and operational implications (including impact upon manual processes and procedures)*

None identified.

*Development and capital cost and operating cost implications*

None identified.

*Consequence for the level of contractual risk of Users*

Improved data collection methods leading to a fuller sample would lead to an overall increase in confidence in the Non Daily Metered allocation regime.

### **9 The implications of implementing the Modification Proposal for Terminal Operators, Consumers, Connected System Operators, Suppliers, producers and, any Non Code Party**

None identified.

### **10 Consequences on the legislative and regulatory obligations and contractual relationships of each Transporter and each User and Non Code Party of implementing the Modification Proposal**

None identified.

### **11 Analysis of any advantages or disadvantages of implementation of the Modification Proposal**

#### **Advantages**

- No further advantages identified

#### **Disadvantages**

- None identified.

### **12 Summary of representations received (to the extent that the import of those representations are not reflected elsewhere in the Workstream Report)**

No written representations have been received.

**13 The extent to which the implementation is required to enable each Transporter to facilitate compliance with safety or other legislation**

Implementation is not required to enable each Transporter to facilitate compliance with safety or other legislation.

**14 The extent to which the implementation is required having regard to any proposed change in the methodology established under paragraph 5 of Condition A4 or the statement furnished by each Transporter under paragraph 1 of Condition 4 of the Transporter's Licence**

Implementation is not required having regard to any proposed change in the methodology established under paragraph 5 of Condition A4 or the statement furnished by each Transporter under paragraph 1 of Condition 4 of the Transporter's Licence.

**15 Programme for works required as a consequence of implementing the Modification Proposal**

No programme of works would be required as a consequence of implementing the Modification Proposal.

**16 Proposed implementation timetable (including timetable for any necessary information systems changes)**

Proposal could be implemented with immediate effect following direction from Ofgem.

**17 Implications of implementing this Modification Proposal upon existing Code Standards of Service**

No implications of implementing this Modification Proposal upon existing Code Standards of Service have been identified.

**18 Workstream recommendation regarding implementation of this Modification Proposal**

The Distribution Workstream considers that the Proposal is sufficiently developed and should now proceed to the Consultation Phase.