

Modification Report
The provision of a "Data Update" to Non Code Parties
Modification Reference Number 0314
Version 5.0

This Modification Report is made pursuant to Rule 9.3.1 of the Modification Rules and follows the format required under Rule 9.4.

1 The Modification Proposal

With changes to Suppliers' Licence obligations in respect of Advanced Metering, it is increasingly clear that there will be a widespread adoption of Advanced/Automated Meter Reading (AMR) equipment and processes by the gas industry. Wider adoption will also be driven by the use of AMR to fulfil energy efficiency requirements of environmental schemes such as the CRC (the CRC Energy Efficiency Scheme, formerly known as the Carbon Reduction Commitment) and the EU ETS (Emissions Trading Scheme).

To support the roll out of AMR, the Energy Services & Technology Association (ESTA) has developed an industry AMR Service Provider Code of Practice (ASPCOP). A number of companies have already signed up to the Scheme and those parties represent the majority of AMR installations undertaken in the UK. As part of the development of the ASPCOP it was recognised that an ASP Hub which would provide information to relevant parties would be beneficial in enabling parties to easily manage Change of Supplier scenarios and avoid Stranding Assets and Multiple Asset installations. This would therefore enhance efficient market operation.

As well as supporting interoperability It is vital that Suppliers know if and where AMR equipment is attached to meters, who operates each AMR device and the contractual relationship for connected devices. This will allows Shippers and their Suppliers and Service Providers to manage compliance with relevant licence conditions.

It is important to understand that unlike other assets the provision of AMR equipment and data services may be provided directly to consumers and that bi lateral contracts may exist for the consumer to purchase services directly from the AMR provider whilst the Supplier or his service provider has in place its own arrangements for accessing data.

The Data Hub will provide a common single point for relevant parties to access critical information to aid their understanding of the arrangements in place at any particular meter.

It is worth noting that unlike the meterpoint to meter relationship the AMR to meterpoint relationship is not based a one to one premise. Multiple AMR units may be attached to one meterpoint. This scenario is already relatively commonplace. Shippers and Suppliers must be aware of any existing arrangements in place for AMR so they can make suitably informed decisions about which AMR operator to

use to provide meter reads.

This information must be available to the Shipper and Supplier at the time of quoting the customer for the gas supply contract as it can materially affect the types of product and prices offered. As the incumbent Supplier is likely to know this information it could be a barrier to competition if this data is not provided to other parties.

As this proposal would only relate to provision of Data Items in relation to Industrial & Commercial sites we do not see any issues arising in respect of the Data Protection Act and Personal Data.

Overview

It is therefore Gazprom's proposal to enable the provision of a set of Data Items to the ESTA MANAGEMENT SERVICES LIMITED to enable the population and maintenance of an AMR Data Hub. While the frequency of the update is subject to further discussion we would envisage a Daily "Data Update" would prove the optimum approach subject to cost information.

We would anticipate that any indemnity which may be set out in a relevant Transporter agreement for data provision and update by the Transporter would be capped at £2 million.

For completeness the current list of data items ESTA are proposing to be held in the Hub are set out in the table below.

Those items we are proposing to form part of the "Data Update" are identified in column "Source of Data Item" as "Data Update from xoserve"

	Instances per MPRN	Data Item	Description of Data Item	Source of Data Item
1	S	MPRN	The Unique industry reference point	Data Update from xoserve
2	S	MAM ID	The MDD identifier of the MAM	Data Update from xoserve
3	S	Meter Serial Number (MSN)	The Meter Serial number associated with the Meter	Data Update from xoserve

4	S	Meter Install Date	The Date the Meter was installed	Data Update from xoserve
5	S	Meter Removal Date	The Date the Meter was removed	Data Update from xoserve
6	S	Convertor Serial Number (CSN)	The Serial number associated with the Convertor	Data Update from xoserve
7	S	Convertor Install Date	The Date the Convertor was installed	Data Update from xoserve
8	S	Convertor Removal Date	The Date the Convertor was removed	To be populated by relevant ASP
9	M	ASP ID	The MDD identifier of the ASP	To be populated by relevant ASP
10	M	AMR Serial Number	The AMR Serial Number associated with the AMR	To be populated by relevant ASP
11	M	AMR Install Date	The Date the AMR was installed	To be populated by relevant ASP
12	M	AMR Removal Date	The Date the AMR was removed	To be populated by relevant ASP
13	M	Contract Relationship	Consumer, Supplier, Transporter, None	To be populated by relevant ASP

Note 1: "Instances per MPRN" identifies data items which can occur only Singularly

or in Multiple instances. A Meter could have several AMR devices attached to it so the Hub would have to hold multiple instances of AMR devices.

Note 2: The Contract Relationship identifies the nature of the “active” relationship between the ASP and the relevant party e.g. the ASP could be providing services to the Consumer and this information would allow the Supplier to potentially contract with the Consumer’s ASP for Read Services.

Note 3: ASP ID, AMR Serial Number, AMR Install Date, AMR Removal Date and Contract Relationship are not currently held on existing industry systems.

Gazprom believes the scope of the Data Update, items 1 to 8, is such that the development should not be significant.

The Proposal

Gazprom propose that the UNC be modified to permit the Transporters to provide data to ESTA MANAGEMENT SERVICES LIMITED subject to a set of Criteria as set out below: -

1. ESTA MANAGEMENT SERVICES LIMITED warrants that the data is being used for the operation by ESTA of the Remote Meter Reading Equipment service provider data hub and facilitating by means of such data hub the provision of information to Users and suppliers in respect of arrangements for obtaining a Remote Read at a Supply Meter with Remote Meter Reading Equipment
2. The data provided relates only to I&C meterpoints.

For the avoidance of doubt the data items which it is proposed that the Transporters be permitted to release to ESTA MANAGEMENT SERVICES LIMITED are:

	Instances per MPRN	Data Item	Description of Data Item
1	S	MPRN	The Unique industry reference point
2	S	MAM ID	The MDD identifier of the MAM
3	S	Meter Serial Number (MSN)	The Meter Serial number associated with the Meter
4	S	Meter Install Date	The Date the Meter was installed
5	S	Meter Removal Date	The Date the Meter was removed
6	S	Convertor Serial Number	The Serial number associated

		(CSN)	with the Converter
7	S	Converter Install Date	The Date the Converter was installed
8	S	Converter Removal Date	The Date the Converter was removed

It is envisaged that, following implementation of this Proposal, ESTA MANAGEMENT SERVICES LIMITED would enter into a separate arrangement with the Transporters to acquire this data and to receive periodic updates. This would be subject to ESTA entering into a confidentiality agreement with the Transporter which prohibited use or disclosure of the relevant Protected Information in terms no less onerous than those contained with UNC TPD Section V5.

2 User Pays

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

This proposal is not a User Pays proposal as it simply enables the provision of data.

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

No User Pays charges applicable. Some costs may be associated with the release of data however these would be born outside the UNC arrangements and data release does not form part of this Proposal. Transporters have advised the service could be provided under bi-lateral commercial arrangements.

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

No User Pays charges applicable to Shippers. Some costs may be associated with the release of data however these would be born outside the UNC arrangements and data release does not form part of this Proposal.

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

No charges applicable for inclusion in ACS. Some costs may be associated with the release of data however these would be born outside the UNC arrangements and data release does not form part of this Proposal.

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;

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

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;

This Modification Proposal will facilitate the reduction of costs associated with the change of supplier process where AMR is installed on I&C sites, by ensuring the incoming supplier has visibility of the equipment and commercial arrangements on site.

This Modification Proposal will allow improvements in the efficiency of the process for managing the installation of AMR equipment on I&C sites, by notifying suppliers whether AMR is already installed.

RWE npower and SSE believe that the modification does not, in itself, facilitate any of the relevant objectives. RWE npower however believe it could enable the development of a service which could potentially assist in securing effective competition by improving the change of supply process for Industrial and Commercial sites where AMR is installed.

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.

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

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

No implications on security of supply, operation of the Total System or industry fragmentation have been identified.

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

a) implications for operation of the System:

No implications for operation of the system have been identified.

b) development and capital cost and operating cost implications:

No development or capital costs would be incurred. Some costs may be associated with the release of data however these would be born outside Code arrangements.

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

No additional cost recovery is proposed.

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

No such consequence is anticipated.

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

No such consequence is anticipated.

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

No changes to systems would be required as a result of implementation of this Proposal.

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)

Facilitating access to a central source of information will enhance the efficiency of Suppliers processes in particular around the Change of Supplier process.

Development and capital cost and operating cost implications

No such costs have been identified.

Consequence for the level of contractual risk of Users

No such consequence has been identified.

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

This Modification Proposal should help to ensure that AMR providers offer appropriate services in an efficient manner by allowing visibility of equipment installed on site.

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

No such consequences have been identified.

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

Advantages

- Implementation of this Modification Proposal will help to ensure effective supply competition is maintained when AMR is widespread in the I&C market.
- Assuming the data will be available to all interested parties this Modification Proposal will ensure interested parties can access an accurate record of what AMR devices are installed at a meterpoint.
- Some workstream members consider the Modification Proposal facilitates open access to data, which will be beneficial to all parties.
- The Association of Meter Operators consider implementation will improve the accuracy and speed of updates and it will give the ability to confirm if the data (MAM ID, meter serial number, install date) held on the GT databases feeding the ESTA database is consistent with the MAMs own records.

Disadvantages

- Some workstream members considered the Modification Proposal offers a risk on the control of data once provided to ESTA eg on which users can view which data.

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

Representations were received from the following parties:

Organisation	Position
Association of Meter Operators	Supports
British Gas	Not in Support
E.ON UK	Comments
First Utility	Supports
Gazprom	Supports
National Grid Distribution	Comments
RWE npower	Qualified Support
SSE	Not in Support

Of the seven representations received, three parties offered support with an additional party offering qualified support, two parties offered comments and two parties were not in support.

The Association of Meter Operators specifically requested a reference in the Legal Text under Section (k). However they recognised that there was a reference to third parties.

E.ON UK understand that not all AMR service providers support the ESTA data hub and therefore they are not sure how such a hub could provide a universal solution. They believe that there are a number of ways Shippers/Suppliers could comply with licence requirements to ensure that AMR was installed.

National Grid Distribution noted that ESTA would have to enter into a separate arrangement with the Transporters to acquire data and to receive periodic updates and that this would be subject to ESTA entering into a confidentiality agreement.

RWE npower note that the accessibility of the information held by the Data Hub will be dependent on the costs of accessing this service, which are not yet clear. It may be

that the costs of using the service, once finalised, will mean that it is not cost-effective for some shippers, suppliers and others, in which case it will not meet the aspiration of ensuring that information is accessible to all. However they were supportive of the principles behind the modification.

SSE recognise that there would be a confidentiality requirement between transporters and the third party. They believe that there could be some issues with the agreement. They feel this solution is inefficient and it is unclear if it is sustainable into the future. They express concern about having multiple databases with common data and the ability to keep data aligned. They believe the population of SCOGES would better serve the industry.

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

No such requirement has been identified.

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

No such requirement has been identified.

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

No programme for works has been identified.

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

Implementation could be immediate on receipt of a decision.

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 Recommendation regarding implementation of this Modification Proposal and the number of votes of the Modification Panel

The Panel Chair summarised that this is a facilitating modification. It would permit the Transporters to provide specific data items relating to I&C sites to ESTA. That provision would, however, be subject to establishment of a separate agreement.

By ensuring the Transporters are in a position to make data available should it be requested, implementation could be regarded as facilitating efficient administration and implementation of the UNC. However, this would not be efficient if the data is never requested and the provision is redundant. Also data could be regarded as uncontrolled once released, and it could be regarded as inappropriate to facilitate data release prior to receiving assurance about the surrounding control and use of that data.

Implementation could also be considered as facilitating the securing of effective competition since the data can subsequently be used by ESTA to establish a consistent dataset, and this dataset can be used to support the development of effective competition. However, implementation would only facilitate data release to ESTA. Since alternative suppliers of services could be envisaged, implementation could be regarded as discriminatory since it would provide a competitive advantage to ESTA. Implementation could, therefore, be regarded as adversely impacting the facilitation of effective competition.

One vote was cast in favour of implementing Modification 0314. Therefore the Panel did not determine to recommend implementation of Modification 0314.

Panel’s view of the benefits of implementation against the Code Relevant Objectives	
Description of 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.	Impacted
e) Provision of reasonable economic incentives for relevant	None

suppliers to secure that the domestic customer supply security standards... are satisfied as respects the availability of gas to their domestic customers.	
f) Promotion of efficiency in the implementation and administration of the Code	Impacted

19 Transporter's Proposal

This Modification Report contains the Transporter's proposal to modify the Code and the Transporter now seeks direction from the Gas and Electricity Markets Authority in accordance with this report.

20 Text

Amendment to General Terms Section C (Interpretation)

Insert new definition in paragraph 1 as follows:

“ESTA” means ESTA Management Services Limited, a company registered in England and Wales with number 07057391.”

Amendment to TPD Section V

Insert new paragraph 5.5.3(k) as follows:

(k) to ESTA, where the disclosure of such information is reasonably required for the purposes of the operation by ESTA of the Remote Meter Reading Equipment service provider data hub and facilitating by means of such data hub the provision of information to Users, suppliers, consumers, Remote Meter Reading Equipment service providers and Meter Asset Managers in respect of arrangements for obtaining a Remote Read at a Supply Meter Point with Remote Meter Reading Equipment, provided that:

(i) the disclosure of such Protected Information pursuant to this paragraph 5.5.3(k) is limited to disclosure of some or all of the following data items:

1 MPRN Number;

2 Meter Asset Manager ID;

3 Meter serial number;

4 Meter install date;

5 Meter removal date;

6 convertor serial number; and

7 convertor install date

in respect of those Supply Meter Points to which a code has been assigned in the Supply Point Register to identify them as being "non-domestic" Supply Meter Points. For the purposes of this paragraph 5.5.3(k) "non-domestic" Supply Meter Points are those Supply Meter Points where the supply of gas is not taken wholly or mainly for domestic purposes; and

- (ii) ESTA is informed in writing of the confidentiality of such information and, prior to disclosure, ESTA has entered into a confidentiality agreement with the Transporter which prohibits use or disclosure of such Protected Information in terms no less onerous than those contained in this paragraph 5;

Amend paragraph 5.8.2 as follows:

- 5.8.2 Where pursuant to the Code a User provides or arranges for the provision of data to a Transporter:
- (a) such data (as provided to the Transporter by the User) shall belong to the User;
 - (b) the User hereby grants to the Transporter (its successors, assigns, agents and contractors) a perpetual, non-exclusive, royalty-free licence (which shall survive the User Discontinuance Date) in respect of such data and all intellectual rights therein to use, copy, adapt and deal with such data for the purposes of performance and implementation of the Code and for other purposes contemplated by the Code, but not otherwise, and, where any data belonging to a User is disclosed by the Transporter to ESTA in accordance with paragraph 5.5.3(k), the right to sub-license the Transporter's rights under this paragraph 5.8.2(b) in relation thereto to ESTA;
 - (c) paragraph 5.8.1 shall apply in respect of data derived (pursuant to any process) by the Transporter from such data and in all compilations

created by or on behalf of the Transporter of such data.

For and on behalf of the Relevant Gas Transporters:

Tim Davis
Chief Executive, Joint Office of Gas Transporters