UNC Request	At what stage is this document in the process?

UNC 087X:

Draft Review of current Supply Meter Point Classes (Class 1, 2, 3 and 4)

01 Request

02 Workgroup Report

03 Final Modification Report

Purpose of Request:

A Review of the current Supply Meter Point Classes; Class 1, 2, 3 and 4 which are set out within the Uniform Network Code (UNC). This review should assess whether the current arrangements for these Supply Meter Point Classes are fit for purpose and identify and consider possible amendments that are required to UNC.

Next Steps:

The Proposer recommends that this Request should be assessed by a Workgroup.

This Request will be presented by the Proposer to the Panel on dd Month 202y

Impacted Parties:

High: Shippers and CDSP

Low: DNs and IGTs

None:

Impacted Codes: Possible wider code impacts outside of the UNC for IGT UNC and REC. However, until more detail is worked through, specific impacts cannot be identified.

Contents

About this document:

This document is a Request, which will be presented by the Proposer to the Panel on 16 May 2024.

The Panel will consider the Proposer's recommendation and agree whether this Request should be referred to a Workgroup for review.

Any questions?

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Proposer:
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Systems Provider:
Xoserve

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Request

Why is the Request being made?

As part of the implementation of Project Nexus in June 2017, Supply Meter Point (SMP) Classes were introduced. With these changes now being in place for 6 years, it seems timely to undertake a review of the wider Class requirements to ensure that they are still fit for purpose.

Currently there are four Metering Classes, 1 and 2 are Daily Metered (DM), and 3 and 4 are Non-Daily Metered (NDM). Each Metering Class has its own requirements and specifications.

The requirements for each Class have been gathered in detail, with the intention under this UNC Request to discuss what is currently set out in the criteria / requirements for each SMP Class and consider if this is fit for purpose. Ultimately the UNC Request should review these arrangements and d consider if these Classes still serve the current need of the Gas Industry.

The question has been raised in previous workgroups regarding Meter Point Classes which has resulted in a recent review looking more in depth at Class 2 Requirements. If MOD 0831 and 0831A are approved which will look to exclude Class 1 & 2s from UIG it was thought that there was potential for a mass movement of supply points from Class 3 & 4 into Class 2.

February 2023 Mod 0664 was implemented, this Modification introduced the change where if the Shipper does not meet the Minimum Meter Read Requirement of 25% over a performance period of 3 Months, then they will be required to reclassify the underperforming site to a class 4. In the absence of action, the CDSP will reclassify the site on their behalf. Since Mod 0664 has been implemented approximately 7.4% of Class 2 sites have been reclassified due to not meeting the Minimum Valid Meter Reading Requirement. There have been suggestions to increase the capacity of Class 2 currently set at 50,000 to enable more supplies to migrate. As of May 2023, the recorded Supply Points in Class 2 was 687, this equates to1.4% of the existing maximum capacity. The question is would this be the best most suitable course?

Time has been taken to investigate the current Product Classes and the existing logic / rules for each Class.

The review would be best suited to:

- Understanding the existing Meter Point Class Requirements, the valid eligible causes and whether these meet the objectives of the UNC Assessment or alternative means to achieve objective.
- Assessment of options to achieve the objectives of the UNC in terms of the Meter point Class requirements.
- Development of high-level solution options (including business rules if appropriate)
- Consideration of potential performance assurance impacts
- Assess if the rules for each Class are fit for purpose.
- Assess capacity for Classes and consider if this is still fit for purpose based on current and anticipated usage of Classes.
- Assess the existing logic / rules for each class.

Scope

The scope of the review should focus on the current Class processes.

- The specifications of each Class
- Assess the existing clauses set out in the UNC Regulations.
- Are there further criteria that should be set out for each Class.
- Is the existing Criteria still fit for purpose?
- **TBC**

Impacts & Costs

Should this Review identify any changes which need to be made to the current Class processes, it would be expected that there will be impacts to central systems and associated costs to make these changes. These changes would be subject to a separate UNC Modification and/or Xoserve Change Proposal.

Recommendations

Panel is requested to put in place a review of the current metering Classes requirements and ensure that they are fit for purpose since the arrangement was introduced as part of project Nexus in June 2017

Additional Information

Insert text here

Impacts and Costs

Consideration of Wider Industry Impacts

Possible wider industry impacts and costs of the output of the Request are highlighted below. However, until more detail is worked through, specific impacts cannot be identified. Those changes would be subject to a separate UNC Modification and/or Xoserve Change Proposal and would not be direct outcomes of this Review.

Impacts

Impact on Central Systems and Process	
Central System/Process	Potential impact
UK Link	• Yes – Dependant on outcome if this changes to the current class may require modification to the UK link system
Operational Processes	• TBC – Dependant on the review and proposed change

Impact on Users	
Area of Users' business	Potential impact
Administrative and operational	• Yes – Shipper process could change if amendments to current Class criteria are implemented
Development, capital and operating costs	• If a Modification in these areas was required, it is likely that costs would be incurred but as this Request Workgroup, these have not been quantified at this stage
Contractual risks	• TBC – Dependant on the review and proposed change
Legislative, regulatory and contractual obligations and relationships	• Yes – potential changes to UNC are expected as a result of this review

Impact on Transporters	
Area of Transporters' business	Potential impact
System operation	• Think unlikely but TBC Dependant on the review and proposed change

Impact on Transporters	
Development, capital and operating costs	• Think unlikely but TBC Dependant on the review and proposed change
Recovery of costs	• Think unlikely but TBC Dependant on the review and proposed change
Price regulation	• Think unlikely but TBC Dependant on the review and proposed change
Contractual risks	• Think unlikely but TBC Dependant on the review and proposed change
Legislative, regulatory and contractual obligations and relationships	• Yes – potential changes to UNC are expected as a result of this review
Standards of service	• Think unlikely but TBC Dependant on the review and proposed change

Impact on Code Administration	
Area of Code Administration	Potential impact
Modification Rules	• N/A
UNC Committees	• No change anticipated
General administration	• No change anticipated
DSC Committees	• DSC Change Committee would be involved in implementing and scheduling any system change – no ongoing input required.

Impact on Code	
Code section	Potential impact
	• **Potential Impact (list ones where I have got info from) TPD section M, TPD section S, TPD section F**

Impact on UNC Related Documents and Other Referenced Documents	
Related Document	Potential impact
Network Entry Agreement (TPD I1.3)	• No change anticipated
General	Potential Impact
Legal Text Guidance Document	• No change anticipated
UNC Modification Proposals – Guidance for Proposers	• No change anticipated
Self-Governance Guidance	• No change anticipated
	• No change anticipated

Impact on UNC Related Documents and Other Referenced Documents	
TPD	**Potential impact**
Network Code Operations Reporting Manual (TPD V12)	•
UNC Data Dictionary	•
AQ Validation Rules (TPD V12)	• No change anticipated
AUGE Framework Document	• No change anticipated
Customer Settlement Error Claims Process	•
Demand Estimation Methodology	•
Energy Balancing Credit Rules (TPD X2.1)	•
Energy Settlement Performance Assurance Regime	•
Guidelines to optimise the use of AQ amendment system capacity	•
Guidelines for Sub-Deduct Arrangements (Prime and Sub-deduct Meter Points)	•
LDZ Shrinkage Adjustment Methodology	• No change anticipated
Performance Assurance Report Register	•
Shares Supply Meter Points Guide and Procedures	•
Shipper Communications in Incidents of CO Poisoning, Gas Fire/Explosions and Local Gas Supply Emergency	•
Standards of Service Query Management Operational Guidelines	•
Network Code Validation Rules	•
	•
OAD	Potential Impact
Measurement Error Notification Guidelines (TPD V12)	•
	•
EID	Potential Impact
Moffat Designated Arrangements	•
	•

Impact on UNC Related Documents and Other Referenced Documents	
IGTAD	Potential Impact
	•
DSC / CDSP	Potential Impact
Change Management Procedures	•
Contract Management Procedures	•
Credit Policy	•
Credit Rules	•
UK Link Manual	•
	•

Impact on Core Industry Documents and other documents	
Document	Potential impact
Safety Case or other document under Gas Safety (Management) Regulations	•
Gas Transporter Licence	•

Other Impacts	
Item impacted	Potential impact
Security of Supply	•
Operation of the Total System	•
Industry fragmentation	•
Terminal operators, consumers, connected system operators, suppliers, producers and other non code parties	•

Terms of Reference

Background

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Topics for Discussion

- Understanding the existing Meter Point Class Requirements, the valid eligible causes and whether these meet the objectives of the UNC Assessment of alternative means to achieve objective.
- Assessment of options to achieve the objectives of the UNC in terms of the Meter point Class requirements.
- Development of high-level solution options (including business rules if appropriate)
- Consideration of potential performance assurance impacts
- Assess if the rules for each Class are fit for purpose.
- Assess capacity for Classes and consider if this is still fit for purpose based on current and anticipated usage of Classes.
- Assess the existing logic / rules for each class.

Outputs

Produce a Workgroup Report for submission to the UNC Modification Panel, containing the assessment and recommendations of the Workgroup including a draft Modification 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 (https://www.gasgovernance.co.uk/cacop)

Recommendations

Proposer's Recommendation to Panel

The Proposer invites the Panel to:

- Determine that this Request should progress to Workgroup for review with a report back to Panel on 21 November 2024.