







UNC Modification	At what stage is this document in the process?
<h1>UNC 0816S:</h1> <h2>Update to AQ Correction Processes</h2>	
<p>Purpose of Modification:</p> <p>This Modification proposes to add two further ‘eligible causes’ to the Annual Quantity (AQ) amendment process within TPD G2.3.21 and to prevent AQ amendments being processed where there is no change in value to the AQ.</p>	
<p>Next Steps:</p> <p>The Proposer recommends that this Modification should be:</p> <ul style="list-style-type: none"> • subject to Self-Governance • assessed by a Workgroup <p>This Modification will be presented by the Proposer to the Panel on 16 February 2023. The Panel will consider the Proposer’s recommendation and determine the appropriate route.</p>	
<p>Impacted Parties:</p> <p>Medium: Shippers, Distribution Network Operators, CDSP</p>	
<p>Impacted Codes:</p> <p>None identified at this stage.</p>	

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Timetable			
Modification timetable:			clare.manning@eonnext.com
Pre-Modification Discussed	N/A		
Date Modification Raised	08 August 2022		Transporter: David Mitchell, Scotia Gas Networks
New Modification to be considered by Panel	18 August 2022		
First Workgroup Meeting	25 August 2022		
Workgroup Report to be presented to Panel	16 February 2023		
Draft Modification Report issued for consultation	17 February 2023		david.mitchell@sgn.co.uk
Consultation Close-out for representations	10 March 2023		
Final Modification Report available for Panel	14 March 2023		07799 343 082
Modification Panel decision	20 April 2023		Systems Provider: Xoserve
			UKLink@xoserve.com

1 Summary

What

At present, the Uniform Network Code (UNC) currently allows for the amendment of a Supply Point Annual Quantity (AQ) due to four eligible causes defined within [TPD G2.3.21](#). The current eligible causes for amending an AQ are theft of gas, change in consumer plant, commencement of new business or discontinuance of an existing business activity and tolerance change.

This Modification seeks to add two further eligible causes, which are Erroneous AQ based on read history and Change in operation and/or use.

The eligible cause Erroneous AQ based on read history is intended to be utilised where a Supply Meter Point (SMP) has a read history outside of the current Registered User's ownership which is not representative of the current usage of the SMP, the User may utilise an Erroneous AQ based on read history AQ Correction.

The eligible cause Change in operation and/or use is intended to be utilised where a SMP has changed in use resulting in a need for an increase or decrease in AQ, where there is no physical change of equipment or change of Shipper.

This Modification also seeks to prevent AQ amendments where there is only a de minimis change being made to the current AQ value.

Why

The [0783R – Review of AQ Correction Processes](#) was required in order to assess whether the current arrangements meet the objectives for the setting of the AQ and identify and consider possible amendments that are required to UNC. During the 0783R – Review of AQ Corrections Processes discussions, Distribution Workgroup looked at summary data of how current eligible causes are used, and whether the current eligible causes for utilising an AQ amendment are fit for purpose.

It was identified that two further eligible causes are necessary for Users to utilise in order to submit AQ corrections. It was felt that this would also improve the overall accuracy in use of the AQ corrections process.

How

TPD Section G 2.3.21 will be amended to include the two further eligible causes, Erroneous AQ based on read history and Change in operation and/or use.

A change will also be required in order to prevent AQ corrections where there is a de minimis change being made to the current AQ value.

2 Governance

Justification for Self-Governance

The Modification is suitable for Self-Governance as it is unlikely to have a material effect on “*(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*”, due to simply updating existing AQ correction processes.

Requested Next Steps

This Modification should:

- be considered a non-material change and subject to Self-Governance.
- be assessed by a Workgroup.

3 Why Change?

There are provisions within UNC for a User to make amendments to any of its registered Supply Point AQs where it believes that the AQ is not representative of its consumption over the following 12-month period. UNC outlines Eligible causes which a User can rely on when making such an AQ amendment.

Following the outcome of the Review Group [0783R - Review of AQ Correction Processes](#), two further eligible causes were identified as being necessary for Users in order to ensure that all eligible causes within Code are fit for purpose. The Review also identified a portion of AQ corrections being submitted which give no change to the AQ value. Participants of the Review therefore felt that it was necessary no longer allow such AQ amendments where there is a de minimis change.

As these are the outcomes from the Review Group, these are aspects of the AQ corrections process where currently the process is not providing the full scope of eligible causes a User may require in order to submit an AQ amendment. By applying these changes which have been identified, the aim is to ensure that the AQ corrections process is fully fit for purpose.

4 Code Specific Matters

Reference Documents

[Uniform Network Code - Transportation Principal Document - Section G - Supply Points - 2.3.21](#)

[0783R - Review of AQ Correction Processes](#)

Knowledge/Skills

Nothing specific.

5 Solution

Business Rules:

BR1: A change is required to UNC TPD G2.3.21 to add two further eligible causes, Erroneous AQ based on read history and Change in operation and/or use, and to prevent AQ corrections where there is a de-minimis change in value for AQ for all eligible causes, with the exception of eligible cause 4 (TPD G2.3.22).

BR2 a): Erroneous AQ based on read history - ~~Where a Supply Meter Point (SMP) has a read history outside of the current Registered User's ownership which is not representative of the current usage of the SMP, the User may utilise an Erroneous AQ based on read history AQ correction.~~ Where a Registered User reasonably believes, in its sole discretion, that a Supply Meter Point (SMP) has a read history outside of the current Registered User's ownership which is not representative of the current usage of the SMP, the User may utilise an Erroneous AQ based on read history AQ correction.

BR2 b): As a mandatory requirement of submitting an Erroneous AQ based on read history AQ correction, the following criteria must be met:

- The confirmation effective date with the current shipper must be within 12 months of the date of the request, and
- The site's ~~Rolling AQ~~ Annual Quantity must have increased by greater than 100% since the current shippers confirmation effective date.

Guidance note: Utilisation of AQ correction Erroneous AQ based on read history has no adverse impact on the previous Shipper as it is used only as a corrective action for the current User.

BR3 a): Change in operation and/or use - Where a SMP has changed in use resulting in a need for an increase or decrease in AQ, where there is no physical change of equipment.

Guidance note – To be utilised where there is not commencement of new business/discontinuance of business already covered within eligible causes (TPD G2.3.21 b) and c).

BR3 b): As a mandatory requirement of submitting a Change in operation and/or use, AQ correction, the User must submit Supporting Information stating the nature of the change of use to the SMP.

The following criteria must also be met:

- the site must not be vacant.

Guidance note – As an example, the User will state within the Supporting Information that the SMP has undergone a material change in operation or is changing in use resulting in 24/7 usage, therefore impacting on the AQ at the SMP.

BR4: Utilising any AQ correction to submit a value which is less than 5% different to the current AQ will not be allowed and the User will receive a rejection response, with the exception of Eligible cause 4 (TPD G2.3.22).

6 Impacts & Other Considerations

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

No impact identified.

Consumer Impacts

The inclusion of two additional eligible causes will ensure that Users are provided with the necessary ways to submit AQ amendments more accurately. Whilst this does not directly impact consumers, this may have further downstream effects to consumers, ensuring that they are billed more accurately.

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

No impact identified.

Impact of the change on Consumer Benefit Areas:

Area	Identified impact
Improved safety and reliability	None
Lower bills than would otherwise be the case	None
Reduced environmental damage	None
Improved quality of service	None
Benefits for society as a whole	None

Cross-Code Impacts

TBC

EU Code Impacts

None identified.

Central Systems Impacts

It is expected that there will be Central System impacts, the impact of the Modification Solution on Central Systems will need to be assessed.

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.	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.	Positive
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.	None
f) Promotion of efficiency in the implementation and administration of the Code.	Positive
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.	None

The Modification furthers relevant objective d) Securing of effective competition, as it ensures that there is suitable process available for Users to correct AQs and ensure that they are an accurate reflection of consumption.

The Modification is also positive in relation to relevant objective f) Promotion of efficiency in the implementation and administration of the Code as it allows Users to utilise the appropriate eligible cause in order to amend an AQ.

8 Implementation

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.

9 Legal Text

Text Commentary

TBC

Text

TBC

10 Recommendations

Proposer's Recommendation to Panel

Panel is asked to:

- Agree that Self-Governance procedures should apply.
- Refer this proposal to a Workgroup for assessment