

## UNC Workgroup Individual Terms of Reference

### 0812R - Review of Alternatives to “Must Read” Arrangements

#### Introduction

This is an Individual Terms of Reference that includes matters referred from Panel or identified within any initial representations. It replaces the Terms of Reference within the Request.

#### Purpose of the Modification and its Solution

Please refer to [www.gasgovernance.co.uk/0812](http://www.gasgovernance.co.uk/0812)

This Request is being raised to discuss options around reforming the long-standing arrangement whereby Shippers have absolute obligations (there being no qualification that they should use reasonable or best endeavours) to read Monthly (TPD M 5.9.7) and Annual (TPD M 5.9.9 to 5.9.11) read meters but should a Shipper be in breach of its obligation the Transporters then have an obligation to read those meters where it seems reasonable to them.

The responsibility for Must Reads was given to Transporters when the Transco Network Code was implemented as they were seen as guardians of the settlement system integrity. It remains with them and can be found in TPD M 5.10.

There are a number of reasons why the current arrangements are no longer appropriate:

- the current arrangements are contractually inappropriate;
- transporters no longer provide meter reading services so the Must-Read provision is no longer an “add on” to an existing service;
- the Performance Assurance Committee has been established to monitor and improve settlement accuracy including meter reading performance and Transporters no longer have the unstated role of ensuring settlement system integrity.

#### Topics for Discussion

- Understanding the objective (Why Change?)
- Assessment of alternative means to achieve the objective - remove reference to must reads or put in a rule about how a Shippers remedies a breach
- Development of Solution (including business rules for a Modification)
- Assessment of potential impacts of the Request
- Assessment of implementation costs of any solution identified during the Request
- Assessment of legal text of a Modification.
- Assessment of Code Specific Matters
- Identification of potential impacts on other energy codes
- Consideration of potential performance assurance impacts
- Assessment of how the Modification furthers the Relevant Objectives

- Consideration of a suitable Implementation Date
- Panel Question: Does the process utilised in the IGT UNC work as an alternative arrangement?

### **Output**

To produce a Workgroup Report, for submission to the UNC Modification Panel, containing the assessment and recommendation(s) 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 Shipper User representatives are present.

### **Meeting Arrangements**

Meetings will be administered by the Joint Office of Gas Transporters and conducted in accordance with the Code Administration Code of Practice ([www.gasgovernance.co.uk/cacop](http://www.gasgovernance.co.uk/cacop))