







UNC Modification	At what stage is this document in the process?
<div>UNC 0883:</div> <div>Update to the Annual Quantity (AQ) amendment process for Erroneous Domestic AQs</div>	<div><div>01Modification</div><div>02Workgroup Report</div><div>03Draft Modification Report</div><div>04Final Modification Report</div></div>
<div>Purpose of Modification:</div> <div>This Modification proposes to add a further ‘eligible cause’ to the Annual Quantity (AQ) amendment process within TPD Section G - 2.3.21.</div>	
<div>Next Steps:</div> <div>The Proposer recommends that this Modification should be:</div> <div><div><div>•subject to Self-Governance</div><div>•assessed by a Workgroup</div></div></div> <div>This Modification will be presented by the Proposer to the Panel on 20 June 2024. The Panel will consider the Proposer’s recommendation and determine the appropriate route.</div>	
<div>Impacted Parties:</div> <div>Medium: Shippers, Distribution Network Operators, CDSP</div>	
<div>Impacted Codes:</div> <div>None identified at this stage.</div>	

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Timetable		 0121 288 2107
Modification timetable:		Proposer: Lee Greenwood – Centrica
Pre-Modification Discussed with CDSP	June 2024	 enquiries@gasgovernance.co.uk
Date Modification Raised	10 June 2024	 07557 612456
New Modification to be considered by Panel	20 June 2024	Transporter: Northern Gas Networks
First Workgroup Meeting	27 June 2024	 trsaunders@nngas.co.uk and shelders@northern-gas.co.uk
Workgroup Report to be presented to Panel	19 September 2024	 07580 215 743
Draft Modification Report issued for consultation	20 September 2024	Systems Provider: Xoserve
Consultation Close-out for representations	11 October 2024	 UKLink@xoserve.com
Final Modification Report available for Panel	16 October 2024	
Modification Panel decision	21 November 2024	

1 Summary

What

At present, the Uniform Network Code (UNC) allows for the amendment of a Supply Point Annual Quantity (AQ) for five reasons:

1. Theft of Gas
2. Change in consumer plant
3. Commencement of new business
4. Erroneous AQ based on read history.
5. Erroneous AQ Change in operation and/or use.

There is also the additional reason code that is not listed as an eligible cause which is to address read tolerance issues (G 2.3.23).

This Modification seeks to add a further eligible cause, **Erroneous Domestic AQ**. The eligible cause **Erroneous Domestic AQ** is intended to be used where a Shipper has an inaccurate domestic AQ with little or no read history.

Why

Erroneous Domestic AQ

Shippers can hold an inaccurate domestic AQ that is far greater than that of the Ofgem-published Typical Domestic Consumption Values (TDCVs); in some cases, up to 50% higher.

Shippers can amend an inaccurate AQ using an eligible cause (AQ correction) or by posting successfully accepted readings to UK Link that span the AQ calculation period of at least 9 months.

Where Shippers have been unable to obtain meter readings, despite trying, a new AQ correction code will be introduced to allow Shippers to amend an AQ to that of an Ofgem-published Typical Domestic Consumption Value (TDCV);

How

TPD Section G 2.3.21 will be amended to include the further eligible cause, **Erroneous Domestic AQ**.

2 Governance

Justification for Self-Governance

The Modification is suitable for Self-Governance as it is unlikely to have a material effect on “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 Shipper 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 that a Shipper can rely on when making such an AQ amendment.

Following a review of the current eligible causes, we have identified a further eligible cause that would provide a way to amend an inaccurate AQ.

As with the existing eligible causes, utilisation of these new causes has no adverse impact on the previous Shipper as it is used only as a corrective action for the current User.

4 Code Specific Matters

Reference Documents

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

Knowledge/Skills

AQ Amendment process.

5 Solution

Business Rules

BR1: Where a Registered User reasonably believes, in its sole discretion, that a domestic Supply Meter Point (SMP) has an inaccurate AQ the User may utilise the eligible cause **Erroneous Domestic AQ**.

The following criteria must be met:

- The SMP is live
- The SMP has been on supply for 3 months or more.
- The SMP must have the Market Sector Code D (Domestic)

BR2: The AQ must be set in line with Ofgem Typical Domestic Consumption Values (TDCVs)

BR3: As a mandatory requirement of submitting an [Erroneous Domestic AQ] AQ Correction, the User must submit Supporting Information highlighting information of how they've attained that the AQ is incorrect.

BR4: Utilising any AQ Correction to submit a value which has [either no change to the current AQ of an SMP or de-minimis change] will not be allowed and the User will receive a rejection response.

In addition, the Modification seeks to amend and extend existing text at TPD G2.3.31 so that it applies to all "eligible causes", to allow the AQ pre-amendment to be 'reinstated' where it has been identified that the criteria has not been satisfied.

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 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 has a direct impact to correct inaccurate AQs that are disproportionate to consumer use and may have further downstream effects on 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	Positive
Reduced environmental damage	None
Improved quality of service	None
Benefits for society as a whole	None

Performance Assurance Considerations

As this Modification proposes to make changes to the AQ amendment process to correct Supply Point AQs, this could have a positive impact on Settlement.

There is an existing Performance Assurance Report Register (PARR) report (2A.8 and 2B.8) which provides an overview of the effectiveness of the AQ amendment process. At a high-level, this report provides a breakdown per Shipper of the volume of AQ amendments (corrections) submitted per “eligible cause” (reason code).

There may need to be additional information required to consider instances of misuse and where the pre-amended AQ has been ‘reinstated’.

It is anticipated that the Performance Assurance Committee (PAC) will make the assessment based on the finalised Modification solution regarding any additional reporting requirements to monitor this process and impact on Settlement.

Cross-Code Impacts

No cross-code impacts identified as the IGT points over to the UNC. For clarity, the intention is for these codes to be applicable to DNO and IGT sites, as with the existing reason codes.

Please note that IGTs are an impacted DSC customer class.

“DNOs and IGTs are considered impacted parties, as the outcome of the amendments impacts the AQ on SMPs in their network area. Although they are listed as impacted, this is not in a functional process or system capacity.”

Based on the above, although it is not believed that the IGT UNC requires updating as a result of this Modification, the updates made to the AQ amendments process will apply to IGT sites as well as DNO sites.

EU Code Impacts

None identified.

Central Systems Impacts

Central system impacts are expected as a result of this Modification. The additional “eligible cause” will need to be added to the existing validation process. Possible system and process impacts are also expected to consider and accommodate instances of misuse. where the CDSP will "reinstate" the previously revised AQ and Formula Year AQ and undertake an adjustment.

The impact of the Modification solution on central systems and processes will need to be assessed once the Business Rules have been finalised.

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
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The Modification furthers relevant objective d) Securing of effective competition, as it ensures that there is a 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 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.

Depending on the finalised Modification solution, if a system delivery is required, implementation should align with the relevant central system delivery.

9 Legal Text

Legal text will be drawn up by the relevant Transporter at a time when the Modification is sufficiently developed in line with the [Legal Text Guidance Document](#).

Text Commentary

Insert text here.

Text

Insert text here.

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.