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| UNC Request Workgroup Report | At what stage is this document in the process? |
| UNC 0851R:Extending the Annually Read PC4 Supply Meter Point (SMP) read submission window |  |
| **Purpose of Request:**Under UNC TPD, M, 5.9.4, Shippers have 25 Supply Point Systems Business Days (SPSBD) after the read date to submit a read for settlement. Where there's an issue preventing the read from being validated, and that issue is not resolvable within the 25 SPSBD timeframe, the read becomes unusable. This is highly problematic for meter reads that are hard to retrieve. It needs addressing because enabling valid reads to be entered into settlement decreases settlement imbalance, unbilled, Unidentified Gas (No reads at Line in the Sand is a UIG contributor), manual AQ fixes, repeated costs for additional site visits, and time and money spent on must-reads.  |
| **Next Steps:**The Workgroup recommends that this Request should be closed. The Panel will consider this Workgroup Report on 18 July 2024. The Panel will consider the recommendations and determine the appropriate next steps. |
| **Impacted Parties:** High: Suppliers, Shippers, ConsumersLow: Distribution Network Operators, Independent Gas Transporters |
| **Impacted Codes:** IGT UNC, REC |

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| Contents1 Request Summary 32 Impacts and Costs 43 Terms of Reference 84 Modification(s) 95 Recommendations 9About this document:This report will be presented to the panel on 18 July 2024. The Panel will consider the recommendations and determine the appropriate next steps. |  **Any questions?** |
| Contact:**Joint Office of Gas Transporters** |
| **Description: Description: email_us_go_online** **enquiries@gasgovernance.co.uk** |
| **Description: Description: call_us0121 288 2107** |
| Proposer:**David Morley, OVO Energy** |
| Description: email_us_go_online**david.morley@ovo.com** |
| Description: call_us **0330 303 5063** |
| Systems Provider:**Xoserve** |
| **Description: Description: email_us_go_online** **UKLink@xoserve.com** |

Request Summary

#### Why is the Request being made?

Under UNC TPD, M, 5.9.4, Shippers have 25 Supply Point System Business Days after the read date to submit a read for settlement. Where there is an issue preventing the read from being validated, and that issue is not resolvable within the 25 Day timeframe, the read becomes unusable. This is highly problematic for meter reads that are hard to retrieve from the meter.

Enabling valid reads to be entered into settlement would decrease settlement imbalance, unbilled, Unidentified Gas (No reads at Line in the Sand is a UIG contributor), manual AQ fixes, repeated costs for additional site visits, and time and money spent on must-reads.

Options on the table are:

1. Extending the PC4 read submission window from 25 SPSBDs to [60] SPSBDs. Electricity settlement, by comparison, enables 14 months for NHH read submission, moving to 4 months with MHHS; or
2. Creating a mechanism via which failed valid reads can be resubmitted and entered into Settlement; or
3. A combination of A) and B): extending the window to [60] SPSBDs and creating a mechanism for failed valid reads to be re-entered into Settlement.

#### Impacts & Costs

This request would aim to address settlement imbalance, unbilled, Unidentified Gas (No reads at Line in the Sand is a UIG contributor), manual AQ fixes, repeated costs for additional site visits, and time and money spent on must-reads.

#### Recommendations

Analysis of the above options to agree on the best solution to carry forward as a substantive change in the form of a Modification as required.

#### Workgroup’s Assessment

The Workgroup considered the Review Group request and the proposal to extend the current read submission window for Class 4 meter points from 25 Supply Point Systems Business Days to a higher number. The review considered:

* The potential process impacts of extending the read window.
* What the optimal number of supply point business days might be for extending the read window.
* The views of PAC on the potential impact of valid readings not getting into settlement and the effect this would have on overall accuracy.
* The use of ‘staggered benchmarks’ for read submission and what these benchmarks should be set at.
* The content and questions to be included within a PAC RFI that was subsequently issued to Parties to inform the Review.
* The results of the PAC RFI.
* Whether the interaction between read performance obligations in TPD M5.9.4 is sufficiently clear.

Please refer to the Workgroup meeting minutes and Workgroup material for further information on the discussions held for this Request:

[Workgroup Meeting 23 November 2023](https://www.gasgovernance.co.uk/0851/231123)

[Workgroup Meeting 11 December 2023](https://www.gasgovernance.co.uk/0851/111223)

[Workgroup Meeting 25 January 2024](https://www.gasgovernance.co.uk/0851/250124)

[Workgroup Meeting 22 February 2024](https://www.gasgovernance.co.uk/0851/220224)

[Workgroup Meeting 28 March 2024](https://www.gasgovernance.co.uk/0851/280324)

[Workgroup Meeting 23 May 2024](https://www.gasgovernance.co.uk/0851/230524)

Impacts and Costs

#### CDSP Settlement Systems

Impacts on CDSP’s settlement systems will need to be understood.

#### PAC’s Performance Regime

Impacts on PAC’s performance regime will need to be understood. Increased submissions of valid reads are the goal here. We need to ensure that poor-performing parties do not use any amendments to the windows and/or a failed valid read submission route as an opportunity for gaming.

#### 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.

#### Impacts

|  |
| --- |
| Impact on Central Systems and Process |
| Central System/Process | Potential impact |
| UK Link | * + Settlement systems, read performance reports
 |
| Operational Processes | * + Read submission, AQ correction, Must Reads, UIG allocation
 |

| Impact on Users |
| --- |
| Area of Users’ business | Potential impact |
| Administrative and operational | * + Read submission, AQ correction, Must Reads, UIG allocation
 |
| Development, capital and operating costs | * + Cost to amend read submission processes
 |
| Contractual risks | * + N/a
 |
| Legislative, regulatory and contractual obligations and relationships | * + Must Reads, Read performance
 |

| Impact on Transporters |
| --- |
| Area of Transporters’ business | Potential impact |
| System operation | * + N/a
 |
| Development, capital and operating costs | * + N/a
 |
| Recovery of costs | * + Fewer must-reads
 |
| Price regulation | * + N/a
 |
| Contractual risks | * + N/a
 |
| Legislative, regulatory and contractual obligations and relationships | * + Less must-reads
 |
| Standards of service | * + Less must-reads
 |

| Impact on Code Administration |
| --- |
| Area of Code Administration | Potential impact |
| Modification Rules | * + N/a
 |
| UNC Committees | * + PAC impacts
 |
| General administration | * + N/a
 |
| DSC Committees | * + N/a
 |

| Impact on Code |
| --- |
| Code section | Potential impact |
|  | * + UNC TPD, M, 5.9.4, 5.9.9
 |

| Impact on UNC Related Documents and Other Referenced Documents  |
| --- |
| Related Document | Potential impact |
| Network Entry Agreement (TPD I1.3) | * + N/a
 |
| General  | Potential Impact |
| Legal Text Guidance Document | * + N/a
 |
| UNC Modification Proposals – Guidance for Proposers | * + N/a
 |
| Self-Governance Guidance | * + N/a
 |
|  |  |
| TPD | Potential Impact |
| Network Code Operations Reporting Manual (TPD V12) | * + N/a
 |
| UNC Data Dictionary | * + N/a
 |
| AQ Validation Rules (TPD V12) | * + Potentially
 |
| AUGE Framework Document | * + N/a
 |
| Customer Settlement Error Claims Process | * + Potentially
 |
| Demand Estimation Methodology | * + Potentially
 |
| Energy Balancing Credit Rules (TPD X2.1) | * + N/a
 |
| Energy Settlement Performance Assurance Regime | * + Yes
 |
| Guidelines to optimise the use of AQ amendment system capacity  | * + Potentially
 |
| Guidelines for Sub-Deduct Arrangements (Prime and Sub-deduct Meter Points)  | * + N/a
 |
| LDZ Shrinkage Adjustment Methodology | * + N/a
 |
| Performance Assurance Report Register | * + Yes
 |
| Shared Supply Meter Points Guide and Procedures | * + N/a
 |
| Shipper Communications in Incidents of CO Poisoning, Gas Fire/Explosions and Local Gas Supply Emergency  | * + N/a
 |
| Standards of Service Query Management Operational Guidelines  | * + N/a
 |
| Network Code Validation Rules | * + N/a
 |
|  | * + N/a
 |
| OAD | Potential Impact |
| Measurement Error Notification Guidelines (TPD V12) | * + N/a
 |
|  | * + N/a
 |
| EID | Potential Impact |
| Moffat Designated Arrangements | * + N/a
 |
|  | * + N/a
 |
| IGTAD | Potential Impact |
|  | * + Potential
 |
| DSC / CDSP | Potential Impact |
| Change Management Procedures | * + N/a
 |
| Contract Management Procedures | * + N/a
 |
| Credit Policy | * + N/a
 |
| Credit Rules | * + N/a
 |
| UK Link Manual | * + Potential
 |

| Impact on Core Industry Documents and other documents |
| --- |
| Document | Potential impact |
| Safety Case or other documents under Gas Safety (Management) Regulations | * + N/a
 |
| Gas Transporter Licence | * + N/a
 |

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| Other Impacts |
| Item impacted | Potential impact |
| Security of Supply | * + N/a
 |
| Operation of the Total System | * + N/a
 |
| Industry fragmentation | * + N/a
 |
| Terminal operators, consumers, connected system operators, suppliers, producers and other non-code parties | * + Yes
 |

**Cross-Code Impacts**

IGT UNC, REC.

**Central Systems Impacts**

This is a Request Workgroup Report, and Central Systems impacts will be recognised in the New Modification (0884) that has been raised.

**Panel Questions**

No Panel Questions raised.

**Workgroup Impact Assessment**

The Workgroup considered the Review Group request and the proposal to extend the current read submission window for Class 4 meter points from 25 Supply Point Systems Business Days to a higher number. The review considered:

* The potential process impacts of extending the read window.
* What the optimal number of supply point business days might be for extending the read window.
* The views of PAC on the potential impact of valid readings not getting into settlement and the effect this would have on overall accuracy.
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* The results of the PAC RFI.
* Whether the interaction between read performance obligations in TPD M5.9.4 is sufficiently clear.

Workgroup participants concluded that any extension period would need to strike a balance between extending as far as necessary, but no more than necessary so as not to delay the submission of valid meter readings.

The Proposer noted that the review group discussions had been extremely helpful in informing the next steps and that their intent was to raise a new Modification focused on:

* Introducing staggered benchmarks for read submission, between 10, 25, 45, and 80 SPBSDs; and,
* Removal of the word ‘obtained’ within 5.9.4 of TPB Section M and to replace it with the word ‘Required’, to facilitate an associated read submission reporting requirement.

The Proposer also considered that the Workgroup review could be closed.

One Workgroup participant noted that they intended to raise an alternative Modification, proposing staggered read submission benchmarks at 10, 25, and 45 SPBDs, but otherwise identical, noting that extending the window to 45 days on the basis that it would be unlikely to have any material impact on the volumes of valid meter readings that are being submitted within the 10 days but may allow for an increased volume of reads to be submitted (or resubmitted) beyond the current 25 days.

Please refer to the Workgroup meeting minutes and Workgroup material for further information on discussions held to consider the Request and the development of the new Modification:

[Workgroup Meeting 23 November 2023](https://www.gasgovernance.co.uk/0851/231123)

[Workgroup Meeting 11 December 2023](https://www.gasgovernance.co.uk/0851/111223)

[Workgroup Meeting 25 January 2024](https://www.gasgovernance.co.uk/0851/250124)

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Terms of Reference

#### Topics for Discussion

* Understanding the objective (Why Change?)
* Assessment of alternative means to achieve the objective
* Development of Solution (including business rules if appropriate)
* Assessment of Code-Specific Matters
* Assessment of the Solution (including business rules if appropriate)
* Assessment of impacts of the Request, including but not limited to Consumer and System Impacts
* Identification of potential impacts on other energy codes
* Consideration of potential performance assurance impacts
* Assessment of implementation costs of any solution identified during the Request

#### 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>)

Modification(s)

New Modification 0884 - Extending the PC4 Read Submission Window, has been raised (<https://www.gasgovernance.co.uk/0884> ) and was considered by the UNC Modification Panel on 20 June 2024.

The new Modification aims to extend the Supply Point Systems Business Days (SPSBD) beyond the current 25 SPSBD to allow validation of reads that are problematic a longer timeframe to rectify.

Recommendations

#### Workgroup’s Recommendation to Panel

The Workgroup asks Panel to agree that this Request should be closed.

[version should be v1.0 – also need to update date to 27 June]