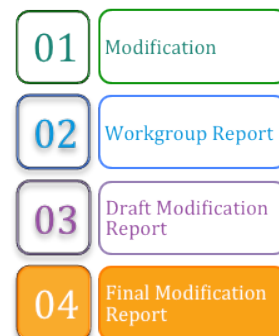


# 0466/0466AV:

## Daily Meter Reading Simplification



It is proposed that that the provisions of UNC TPD Section M4 be modified to reflect a number of changes to the requirements incumbent on Transporters to procure and process Daily Meter Readings.



The Panel determined that Modification 0466AV be implemented.



The Panel did not recommend implementation of Modification 0466



High Impact:



Medium Impact:  
Shippers and Consumers



Low Impact:

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## About this document:

The Panel considered this Final Modification Report on 19 February 2015.

The Panel determined that Modification 0466 should not be implemented and Modification 0466AV should be implemented.

The Authority will consider the Panel's recommendation and decide whether or not this change should be made.

### Modification History:

Initial consideration by Workgroup	08 November 2013
Workgroup Report presented to Panel	03 October 2014
Draft Modification Report issued for consultation	16 October 2014
Consultation Close-out for representations	06 November 2014
Final Modification 0466/0466A presented to Panel	14 November 2014
Panel did not recommend implementation 0466	14 November 2014
Panel referred 0466A back to Workgroup for further consideration	14 November 2014
Variation Request 0466A presented to Panel	05 February 2015
Panel determined Variation Request material/immaterial	19 February 2015
Panel Recommendation 0466AV	19 February 2015



**Any questions?**

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# 1 Summary

## Is this a Self-Governance Modification?

The Modification Panel determined that these are not self-governance modifications as the proposed changes are likely to be material to existing or future gas consumers.

## Why Change?

The UNC identifies the terms under which Supply Meter Points are required to be Daily Read<sup>1</sup>. The UNC further sets out the Transporters obligations for installing and maintaining Daily Read Equipment and procuring Daily Reads for provision to Users<sup>2</sup>.

The majority of Non Daily Metered (NDM) Supply Meter Points registered on the Supply Point Register are subject to so called 'unbundled' Meter Reading arrangements. This means that for the purposes of UNC, Users are obliged to obtain Meter Readings at predetermined intervals and provide these to the relevant Transporter. This can be distinguished from 'bundled' arrangements which apply to Daily Metered (DM) Supply Points which reflect that the Transporter is obliged to obtain Meter Readings and subsequently provide these to the User. Under a bundled regime, choice in Meter Reading services is not available. The User is required to use the services of the relevant Transporter and pay charges as appropriate. Similarly, as the sole provider of read services, the Transporter is incentivised financially to meet required performance standards.

It is considered that the current UNC DM regime, which is largely unchanged from the implementation of the Transco Network Code in 1996 to be outdated and no longer 'fit for purpose'. This is particularly the case given the advent of new read procurement technologies. Furthermore, the present provisions are unduly restrictive and inconsistent with the need for Transporters to provide an efficient and cost effective service to Users and consumers. In addition, Modification 0466AV considers the method used for transmitting within day data from DM loggers to shippers is particularly outmoded and is in need of improvement.

Consequently modification of the UNC is required to reflect present day and anticipated future requirements.

## Solution

Modification of the UNC is proposed to facilitate the 'simplification' of Daily Meter Reading procurement and provision by the Transporter as set out in Section 3 below.

## Relevant Objectives

These modifications would enable Transporters to provide a significantly more efficient and cost effective Meter Reading services for DM Supply Points subjected to the Daily Read Requirement. The range of measures in these Proposals can therefore be expected to facilitate GT Licence 'relevant objective' (f) the promotion of efficiency in the implementation and administration of the Code.

## Implementation

No implementation date has been proposed. Any implementation timetable would be contingent on system and process development timescales and would be subject to scrutiny by the UNC Committee.

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<sup>1</sup> [UNC TPD Section G1.5](#)

<sup>2</sup> [UNC TPD Section M4.1](#)

# 1 Why Change?

Meter Reading arrangements for the vast majority of Supply Meter Points under the UNC are 'unbundled'. This means that Users (Shippers) are able to appoint their Meter Reading agent of choice and provide Meter Readings to the Transporter in accordance with pre-determined frequencies as set out in the UNC. However, at present choice is not available to Users in provision of a Daily Read service with respect to 'mandatory' and 'voluntary' DM Supply Meter Points (including those subject to the Daily Read Requirement set out in TPD Section G1.5). Consequently the UNC features extensive obligations on Transporters to provide a 'bundled' Meter Reading service and therefore the costs incurred by Transporters in respect of obtaining such and the charges levied to Users cannot be avoided.

The current regime is virtually unchanged since inception of the Transco Network Code in 1996. The framework was designed around an original DM 'mandatory threshold' >75,000 TPA and encompassed approximately 25,000 Supply Meter Points nationally.

The existing population of DM Supply Points is sub divided into mandatory read (DMM) and voluntarily read (DMV) categories. DMV Supply Points will cease to exist from 1<sup>st</sup> October 2015.

Given recent developments in Meter Reading automated technologies and advances in communications infrastructure together with changes in the Transporters daily read data requirements, it is timely that the 'bundled' activities being those arrangements reflecting that the Transporter is the sole Meter Reading provider should be revisited and amended to reflect present day and anticipated future requirements.

The overall population of DMM and DMV Supply Meter Points has and continues to decline significantly. The following statistics are relevant;

- Interruption reform – for NGD the population has reduced to 4 DM Supply Points in two networks, reducing further to one (NW) network for the 2013 interruption auction.
- The current NGD population consists of 694 DM Supply Meter Points
- DMV is due to be eliminated (under UNC Modifications 0345 and 0441<sup>3</sup>) by 1st October 2015 enabling a further reduction to 190 DM Supply Meter Points
- The implementation of Modification 0428<sup>4</sup> (as part of Project Nexus) is expected to further reduce the number of DMM Supply Meter Points.

The criticality of daily data availability for Transportation purposes has also reduced significantly. The data procured at DMM sites is now of only marginal benefit to Transporters.

The receipt of DMV data is of little or no benefit to Transporters.

However, a complex systems and process infrastructure is required to ensure current UNC obligations can be met by the Transporter. It has been identified that these 'legacy' systems are life expired and inefficient and are therefore costly to operate and maintain. Transporters are further constrained by the existing price control mechanisms with regard to the extent to which 'cost reflective' charges are able to be levied for DM Supply Meter Points<sup>5</sup>.

It is essential that the present outdated UNC provisions are simplified to maintain sustainable, 'fit for purpose' arrangements for the limited population of DMM and DMV Supply Meter Points which:

- Reduces costs for consumers
- Addresses present cost constraints

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<sup>3</sup> [Modification 0345](#) & [Modification 0441](#)

<sup>4</sup> [Modification 0428](#)

<sup>5</sup> [RDN Licence. Special Condition 4D. Restriction of prices in respect of Tariff Capped Metering Activities](#)

- Facilitates an opportunity for Transporters and Users to tailor future services
- Is consistent with the proposed UNC regime under the Project Nexus programme
- Ensures that all market participants can continue to fulfil their licence obligations in an improved manner.

## 2 Solution

Both modifications propose to simplify Daily Reading procurement and provision, with exception that Modification 0466 excludes the mandatory provision of within day read data, which would be the subject of commercial terms that sit outside of UNC. Whereas, Modification 0466AV proposes that such within day read data is continued to be provided using a robust method of transfer.

Modification 0466 excludes the text highlighted in **BLUE**, whereas Modification 0466AV includes the text highlighted in **BLUE** and excludes the text in ***ITALICS***.

Modification of the UNC is required to facilitate the 'simplification' of Daily Reading procurement and provision. This requires the following measures:

- Relaxation of the Transporters obligations to obtain Daily Meter Readings and provide these to Users from 11:00 am on D+1 to 12:00 pm on D+1. Also the provision would be subject to a 'reasonable endeavours' test
- Amendment to the 'Performance Relevant' standards of service (liabilities) associated with Daily Read provision as follows:
  - D+1 liability to apply to 14:00 ("liability cut-off time") on D+1.
  - D+1 Liability charge to reduce from £30 to £3
  - Remove the 97.5% performance standard in its entirety - that is, all failed reads will receive compensation

- **Periods of Outage**

A "Period of Outage" is recorded against a device when reads are not submitted to the user for a period of 4 consecutive days in a calendar month.

Where a Period of Outage occurs, the transporter will make the appropriate daily payment, by reference to the Level of Liability applicable for the month in which the Period of Outage occurred.

The payment will be made for each day, starting on the 5<sup>th</sup> day of failure, until a read is successfully submitted to the shipper by the liability cut-off time.

The liability payment associated with Periods of Outage will be a variable amount based on a transporters performance and will incentivise transporters to keep Periods of Outage to a minimum.

The "Period of Outage Failure Rate" ("POFR") for a transporter in any month will be calculated as follows:

$$\text{POFR} = (X / Y) * 100$$

- X = number of devices that have had one or more Periods of Outage in that month
- Y = number of devices that are installed on the last day of a month and that have successfully submitted at least one read to the user in that month

There will be four Levels of Liability associated with the Period of Outage standard.

- Level 4 = £75 (represents the current and initial value that will be applied in respect of this standard);

- Level 3 = £50 (represents the maximum value that can be incurred in respect of this standard, once this level has been attained);
  - Level 2 = £30;
  - Level 1 = £10 (which represents the minimum value that can be incurred in respect of this standard).
- If the POFR is 2.5% or less for 3 consecutive months, then in subsequent months the liability payment will reduce by a level. If the POFR is greater than 2.5% in any a month, then the liability payment applied in the subsequent months will increase by a level.
  - Transporters will be required to make available “within day” data (hourly reads) from Daily metered sites (DM mandated / class 1 post nexus) to users when requested so that this information can be provided by a more robust method than the current method of sending data by email – it is proposed that the existing IX file transfer process currently used for the majority of information exchanges within the industry is ideally placed for this. For the avoidance of doubt, telemetered meters are not required to make within day data available in the manner described above.  
The transporters are free to make provision of within day data a chargeable service.
  - *Removal of the provisions in TPD M4.6. which require Transporters to make available ‘within day’ data to Users. Note: it is proposed that Transporter undertakes, where it is feasible to do so, to provide either:*
    - “within day” data to the registered User, or;
    - an electrical access point to the daily read equipment in order to permit the User to collect its own “within day” data.

*Such arrangements would not be part of the regulated DM mandatory service and would be made available outside the UNC on discrete commercial terms, (to be developed as demand dictates). For the avoidance of doubt no changes are proposed concerning the eligibility criteria for DM set out in TPD Section G1.5 including those concerning the Daily Read Requirement.*

## User Pays

### Classification of the modification as User Pays, or not, and the justification for such classification.

Modification 0466 is a User Pays modification due to changes to central systems. However, Transporters have elected not to charge for the changes.

Modification 0466AV - is User Pays based on the mandatory provision of a service for within day reads from a User specifically using the IX network.

### Identification of Users of the service, the proposed split of the recovery between Gas Transporters and Users for User Pays costs and the justification for such view.

Modification 0466AV - 100% to Shipper Users with DM supply points, allocated pro-rata to the number of each Users’ DM supply points (excl. DMEs) at the UNC Modification Implementation date. Allocating the costs to all such Users at this point in time is the fairest method for establishment of the service to avoid early-adopters incurring an undue share or, conversely, others waiting and accessing the service for free.

### Proposed charge(s) for application of User Pays charges to Shippers.

Modification 0466AV – User Pays costs in the range £0-20k apply to establish the service.

Note: An additional £1000 one off cost to set up a requesting User (Shipper) *may* apply, but is not User Pays (ie. on a contract specific basis).

### Proposed charge for inclusion in the Agency Charging Statement (ACS) – to be completed upon receipt of a cost estimate from Xoserve.

ACS will be provided.

### 3 Relevant Objectives

Impact of the modification on the <b>Relevant Objectives</b> :	
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.	None
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 (0466 and <a href="#">0466AV</a> )
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

These modifications would enable Transporters to provide a more efficient and cost effective Meter Reading service for affected Daily Metered Supply Points. The range of measures in these Proposals can therefore be expected to facilitate relevant objective f) promotion of efficiency in the implementation and administration of the Code.

Participants also considered objective c), concluding that it does not apply for the GT Licencees, as the change will benefit Supplier Licensees and is therefore out of scope.

### 4 Implementation

No implementation date has been proposed. Any implementation timetable would be contingent on any system and process development timescales and would be subject to scrutiny by the UNC Committee.

## 5 Legal Text

Legal Text has been prepared by National Grid Distribution at the request of the Panel, and no issues were raised by the Workgroup regarding its content.

### Commentary

Two documents have been published alongside this report that explain how the Legal Text has been developed.

### Text 0466

#### TPD Section M

*Amend paragraph 4.6.1 to read as follows:*

Where Daily Read Equipment is furnished and installed by the Transporter in accordance with paragraph 4.1.4 the Transporter ~~will, upon request by the Registered User and provided it is operationally feasible to do so make available to the Registered User,~~ where, in the opinion of the Transporter it is feasible to do so and subject to terms agreed between the Transporter and User, provide to the User either:

- (a) ~~within-Day readings received from the Daily Read Equipment; or~~
- (b) ~~an electrical access point to the Daily Read Equipment to facilitate the collection of within-Day readings by the User, in respect of each hour of a Day, and provide such readings to the User at four hourly intervals.~~

*Amend paragraph 5.2.1 to read as follows:*

The Transporter will use reasonable endeavours to provide not less than 97.5% of the required number of Valid Meter Readings to each User, in respect of each month in each case not later than 11:00 12:00 hours on the Day following the Day to which the relevant Meter Reading relates; and for the purposes of this paragraph, the required number of Valid Meter Readings in respect of a User in a month is the sum of the numbers of Performance Relevant Supply Meters of the User on each Day of such month.

*Amend paragraph 5.2.2 to read as follows:*

Subject to paragraph 5.2.3, if in respect of any Day following the Day to which the relevant Meter Reading relates the Transporter does not provide to a User a Valid Meter Reading by 14:00 hours on the Day following each such Day ("the liability cut-off time") the Transporter shall pay to the User the sum of £30. ~~any month the Transporters do not comply with the requirement in paragraph 5.2.1, the aggregate amount payable to the User shall be an amount calculated as:~~

$$((0.097 * A) - B) * £30$$

~~where for the relevant month:~~

A ~~is the sum for all Days in the month of the number of the User's Performance Relevant Supply Meters;~~

B ~~is the sum for all Days in the month of the number of Valid Meter Readings in respect of the User's Performance Relevant Supply Meters which the Transporters provided by 11:00 hours on the following Day which shall be invoiced and payable in accordance with Section S (Users).~~

*Amend paragraph 5.2.3 to read as follows:*

In respect of each Performance Relevant Supply Meter, if for each of 4 consecutive Days the Transporter does not provide to a User a Valid Meter Reading by the liability cut-off time 11:00 hours on the Day



~~following each such Day then this shall be known as a “Period of Outage” and for each further Day (after the 4<sup>th</sup>) in respect of which a Period of Outage occurs for which the Transporter fails to provide a Valid Meter Reading by 11:00 hours on the following Day:~~

~~(a) the Transporter will pay to the User (subject to paragraph 5.2.4) £75 the appropriate liability payment as referred to in paragraph 5.2.7 below until such time as the Transporter provides to a User a Valid Meter Reading by the liability cut-off time; and~~

~~(b) such Meter shall not be counted as a Performance Relevant Supply Meter for the purposes of paragraph 5.2.2.~~

*Add new paragraph 5.2.6 to read as follows:*

A “Period of Outage Failure Rate” (“POFR”) shall be calculated in respect of the number of Periods of Outage experienced by a Transporter during any month, as follows:

$$\text{POFR} = (X/Y) * 100$$

where:

X = the number of Performance Relevant Supply Meters in respect of which one or more Periods of Outage have occurred during that month

and

Y = the number of Performance Relevant Supply Meters which are installed on the last day of a month and which have successfully submitted at least one Valid Meter Reading to the User during that month.

*Add new paragraph 5.2.7 to read as follows:*

There shall be four levels of liability relevant to the Transporter in respect of Periods of Outage as follows:

- (a) £75 per Day, being a level 4 liability payment which shall be the maximum amount payable by a Transporter in respect of a Period of Outage unless and until a level 3 liability payment as referred to at paragraph 5.2.7(b) below is triggered;
- (b) £50 per Day, being a level 3 liability payment which, once triggered, shall be the maximum amount payable by a Transporter in respect of a Period of Outage;
- (c) £30 per Day, being a level 2 liability payment;
- (d) £10 per Day, being a level 1 liability payment which shall be the minimum amount payable by a Transporter in respect of a Period of Outage.

*Add new paragraph 5.2.8 to read as follows:*

In the event that the POFR is calculated at 2.5 or less for a period of three consecutive months, the Transporter’s liability payment shall be reduced by a level in accordance with the levels referred to in paragraph 5.2.7.

*Add new paragraph 5.2.9 to read as follows:*

In the event that the POFR is calculated at more than 2.5 in any month the Transporter’s liability shall increase by a level in accordance with the levels referred to in paragraph 5.2.7.

## Text 0466AV

### TPD Section M

*Amend paragraph 4.6.1 to read as follows:*

Where Daily Read Equipment is furnished and installed by the Transporter in accordance with paragraph 4.1.4 the Transporter will, upon request by the Registered User, and provided it is operationally feasible to do so make available to the Registered User subject to payment of appropriate charges by the User to the Transporter, provide to the User within-Day readings received from the Daily Read Equipment by means of a UK Link Communication.

*Amend paragraph 5.2.1 to read as follows:*

The Transporter will use reasonable endeavours to provide not less than 97.5% of the required number of Valid Meter Readings to each User, in respect of each month in each case not later than 11:00 12:00 hours on the Day following the Day to which the relevant Meter Reading relates; and for the purposes of this paragraph, the required number of Valid Meter Readings in respect of a User in a month is the sum of the numbers of Performance Relevant Supply Meters of the User on each Day of such month.

*Amend paragraph 5.2.2 to read as follows:*

Subject to paragraph 5.2.3, if in respect of any Day following the Day to which the relevant Meter Reading relates the Transporter does not provide to a User a Valid Meter Reading by 14:00 hours on the Day following each such Day ("the liability cut-off time") the Transporter shall pay to the User the sum of £3.  
~~any month the Transporters do not comply with the requirement in paragraph 5.2.1, the aggregate amount payable to the User shall be an amount calculated as:~~

$$((0.097 * A) - B) * £30$$

~~where for the relevant month:~~

~~A — is the sum for all Days in the month of the number of the User's Performance Relevant Supply Meters;~~

~~B — is the sum for all Days in the month of the number of Valid Meter Readings in respect of the User's Performance Relevant Supply Meters which the Transporters provided by 11:00 hours on the following Day which shall be invoiced and payable in accordance with Section S (Users).~~

*Amend paragraph 5.2.3 to read as follows:*

In respect of each Performance Relevant Supply Meter, if for each of 4 consecutive Days the Transporter does not provide to a User a Valid Meter Reading by the liability cut-off time 11:00 hours on the Day following each such Day then this shall be known as a "Period of Outage" and for each further Day (after the 4<sup>th</sup>) in respect of which a Period of Outage occurs for which the Transporter fails to provide a Valid Meter Reading by 11:00 hours on the following Day:

~~(a)~~ the Transporter will pay to the User (subject to paragraph 5.2.4) £75 the appropriate liability payment as referred to in paragraph 5.2.7 below until such time as the Transporter provides to a User a Valid Meter Reading by the liability cut-off time; and

~~(b) such Meter shall not be counted as a Performance Relevant Supply Meter for the purposes of paragraph 5.2.2.~~

*Add new paragraph 5.2.6 to read as follows:*

A "Period of Outage Failure Rate" ("POFR") shall be calculated in respect of the number of Periods of Outage experienced by a Transporter during any month, as follows:

$$\text{POFR} = (X/Y) * 100$$

where:

X = the number of Performance Relevant Supply Meters in respect of which one or more Periods of Outage have occurred during that month

and

Y = the number of Performance Relevant Supply Meters which are installed on the last day of a month and which have successfully submitted at least one Valid Meter Reading to the User during that month.

*Add new paragraph 5.2.7 to read as follows:*

There shall be four levels of liability relevant to the Transporter in respect of Periods of Outage as follows:

- (a) £75 per Day, being a level 4 liability payment which shall be the maximum amount payable by a Transporter in respect of a Period of Outage unless and until a level 3 liability payment as referred to at paragraph 5.2.7(b) below is triggered;
- (b) £50 per Day, being a level 3 liability payment which, once triggered, shall be the maximum amount payable by a Transporter in respect of a Period of Outage;
- (c) £30 per Day, being a level 2 liability payment;
- (d) £10 per Day, being a level 1 liability payment which shall be the minimum amount payable by a Transporter in respect of a Period of Outage.

*Add new paragraph 5.2.8 to read as follows:*

In the event that the POFR is calculated at 2.5 or less for a period of three consecutive months, the Transporter's liability payment shall be reduced by a level in accordance with the levels referred to in paragraph 5.2.7.

*Add new paragraph 5.2.9 to read as follows:*

In the event that the POFR is calculated at more than 2.5 in any month the Transporter's liability shall increase by a level in accordance with the levels referred to in paragraph 5.2.7.

## 6 Consultation Responses

The following consultation responses were received in respect of Modifications 0466 and 0466A.

### 0466

Of the 11 representations received 6 supported implementation and 5 were not in support.

### 0466A

Of the 11 representations received 5 supported implementation, 1 offered qualified support, 1 provided comments and 4 were not in support.

Of the 11 representations received 6 expressed a preference for 0466 and 5 expressed a preference for 0466A.

Representations were received from the following parties:

Organisation	Response	Prefer	Relevant Objectives	Key Points
British Gas Trading	Oppose 0466 & 0446A	0466A	f) - positive	<ul style="list-style-type: none"> <li>Concerned that both 0466 and 0466A potentially lower requirements and liabilities for Transporters to send Daily Meter Reads, therefore impacting upon Daily Read information. However, 0466A offsets this to some degree as it places an obligation on Transporters to make available "within day" data which may mitigate data quality concerns.</li> <li>No sites who are likely to take up the service have been identified.</li> <li>It is noted that IS and process changes required to the Forecasting and Trading Desk systems may effect NDM forecast accuracy for BGT's day ahead position.</li> <li>A minimum of 6 months notice for implementation is requested.</li> </ul>
E.ON UK	Oppose 0466 & 0446A	0466A	f) - neutral	<ul style="list-style-type: none"> <li>Concerns around being obligated to take a monopoly service under the Transporters Network Code for sites above a certain threshold fitted with Transporter provided daily read equipment, whilst it is noted that the GDNs feel the provision is both expensive and a loss making exercise undertaken for the benefit of Shippers associated with a potentially costly liabilities regime.</li> <li>In not being party to (GDN's) contractual arrangements for the service provision, it is felt that Shippers should be afforded a 'level of confidence' that robust and cost effective arrangements are in place to ensure that customers are not burdened with unnecessary cost and that the needs of both the Gemini system and customer billing requirements are satisfactorily met.</li> <li>Whilst happy with the relaxing of reading provisions from 11:00am on D+1 to 12:00pm on D+1, concerns remain around undertaking provision on a 'reasonable endeavours' basis and an apparent relaxation in the liabilities regime</li> </ul>

				<p>increases Shippers and customer's exposure levels.</p> <ul style="list-style-type: none"> <li>Confidential information supporting E.ON's concerns (reasonable endeavours etc.) around the liabilities regime has been provided to the Proposer and would also be provided to Ofgem in a confidential response.</li> <li>Keen to see Ofgem review the costs of this (monopoly) service against that of commercially negotiated contracts to ensure any charges are fair and reasonable.</li> <li>Concern that the new service is less robust than existing provisions – reassurance is sought that for sites where DM reads are mandated, remote reading capability is being assured by the provider (i.e. where SMS is being utilised as an alternative to a fixed line comms, the service and network coverage are adequate to meet DM read requirements.</li> <li>Encouraged that GDN's are fitting pulse splitting equipment so that Shippers may fit their own AMR equipment in future.</li> <li>No information available at this time regarding sites who are likely to take up the service.</li> <li>E.ON have been unable to quantify costs associated with implementation of 0466A.</li> </ul>
Gazprom Energy	Oppose 0466 & Support 0446A	0466A	f) - positive	<ul style="list-style-type: none"> <li>Believe that 0466A provides protection for parties who are subject to the monopoly DM services provision provided by Transporters, whilst avoiding the inefficient requirement to install additional equipment when 'in situ' equipment already exists.</li> <li>No analysis of sites who are likely to take up the service has been undertaken at this time.</li> <li>Expectation is for a post Project Nexus implementation.</li> </ul>
National Grid Distribution	Support 0466 & Qualified Support 0446A	0466	f) – positive d) - negative	<ul style="list-style-type: none"> <li>In raising 0466, believe that this modification will enable Transporters to provide a significantly more cost effective and efficient Daily Read service for Supply Points subject to the Daily Read Requirement.</li> <li>In offering qualified support for 0466A, do not believe that the 'within day' solution component is appropriate, due in part to the effects associated with the declining Daily Read Meter (DM) population, alongside the elimination of DM 'voluntary' Supply Points once Modifications 0345 and 0441 are implemented in October 2015. Additional concerns that 0466A does not fully facilitate relevant objective d) are also highlighted.</li> <li>Believes that the procurement of 'within day' data should be via a fully competitive service, but accepts that in some circumstances where Transporters Daily Read Equipment (DRE) already exists, the option for a Shipper User to approach the Transporter for any relevant read</li> </ul>

				<p>data should be an option.</p> <ul style="list-style-type: none"> <li>Highlights that it has already installed some multiple connection ports (isolation relays) on its DRE installations to facilitate 3<sup>rd</sup> Party equipment connections.</li> <li>Concerns around the unit cost implications for GDN's identify that it is less likely that they would be able to 'cover' their DM service provision costs under the existing framework, unless efficiencies in the contractual arrangement as set out in the UNC are forthcoming.</li> <li>It is noted that a recent Ofgem report highlights that Suppliers have installed Automated Read Equipment (AMR) on 85% of large non-domestic Supply Meters, with more to follow, which results in a capability to obtain daily or hourly reads – as a consequence believe 0466 provides a more appropriate level of choice compared to 0466A.</li> <li>Fully supportive of the implementation costs associated with either modification being recovered via User Pays.</li> <li>The implementation timetable would be contingent on any system and process development timescales.</li> <li>Existing arrangements for the 'mandatory' DM SP population are not efficient.</li> </ul>
National Grid NTS	Support 0466 & Oppose 0446A	0466	c) - negative f) - positive	<ul style="list-style-type: none"> <li>Unable to support 0466A as it would place an obligation of National Grid NTS to offer a service for within day meter readings, resulting in potentially considerable resourcing and capital costs.</li> <li>It is unknown as to how many sites would be likely to take up the service, whilst it is also felt that there is insufficient information in 0446A to enable assessment of potential take up for DM supply points connected to the NTS.</li> <li>Questions whether or not 0466A would not have a positive impact on relevant objective f) as there are potential administration and complexity issues associated with supply daily reads to Shippers via UK Link.</li> <li>Believe the impact and costs associated with implementation of 0466A could / would be substantial, especially in the absence of either a 'rough order of magnitude' costing or similar.</li> <li>Do not perceive any barriers to implementing 0466, but cannot say the same about 0466A as the implementation lead time may be considerable.</li> <li>Happy with the legal text for 0466, but not necessarily 0466A as the text proposes that 'such within day read data is continued to be provided.....'. Furthermore, concerns remain around a lack of analysis around the costs (inc. any one-off set up costs) associated with 0466A may have been significantly underestimated by</li> </ul>

				the Proposer.
Northern Gas Networks	Support 0466 & 0446A	0466	f) - positive	<ul style="list-style-type: none"> <li>• Preference for 0466 based on the fact that it potentially opens up 'within day' data to competition.</li> <li>• Happy with the User Pays, implementation and legal text aspects (of both modifications) outlined within the DMR.</li> <li>• No information on the sites who are likely to take up the service is available at this time.</li> </ul>
RWE npower	Oppose 0466 & 0446A	0466A	f) - positive	<ul style="list-style-type: none"> <li>• Concerned that either modification could potentially impact upon the quality and timely delivery of Daily Meter Reads, although it is felt that 0466A goes some way towards mitigating the risk to data quality.</li> <li>• Acknowledges that system changes would be required to support the implementation of either modification.</li> <li>• No information on the sites who are likely to take up the service is available at this time.</li> <li>• A minimum of 6 months notice for implementation is requested.</li> </ul>
Scotia Gas Networks	Support 0466 & 0446A	0466	f) - positive	<ul style="list-style-type: none"> <li>• Recognises that the existing regime is no longer fit for purpose as a number of rules and obligations placed on Transporters are no longer relevant.</li> <li>• Believe that circa 400 sites may take up the service once it becomes available.</li> <li>• Would be keen to see the lead time for implementation discussed with other industry participants (i.e. the UNC Panel), as agreeing an implementation lead time that suits the majority of parties would help to ensure delivery of either modification is achievable.</li> </ul>
SSE Supply	Support 0466 & 0446A	0466	f) - positive	<ul style="list-style-type: none"> <li>• Believe that the modifications seek to bring Transporter obligations more in line with current requirements.</li> <li>• No information on the sites who are likely to take up the service is available at this time.</li> <li>• Believe that implementation lead time(s) should be decided after a decision to implement has been given and should be scrutinised by the UNC Committee.</li> </ul>
WINGAS UK Ltd	Oppose 0466 & Support 0446A	0466A	f) - neutral	<ul style="list-style-type: none"> <li>• In proposing 0466A, are broadly supportive of the intent behind 0466, but remain perplexed as to why it proposes to curtail the provision of within day data via the DM meter reading service.</li> <li>• Note that a (data) logger that is able to provide within day reads at the frequency currently available to DM loggers (i.e. every 4 hours) is not yet commercially available to Shippers, thereby rendering current functionality irreplaceable, whilst removal of the service would / could result</li> </ul>

				<p>in a loss of functionality to these customers.</p> <ul style="list-style-type: none"> <li>• Should the service be removed under 0466 provisions, alternative measures would be needed raising the possibility of interruptions to the data and therefore place Suppliers in breach of their licence. 0466A seeks to reduce the risk associated with potential SOQ breaches.</li> <li>• As far as the number of take up sites are concerned, proposes to elect to receive within day data for its entire portfolio, this would potentially equate to 2% of the total non-domestic market.</li> <li>• In recognising that either modification would enable Transporters to provide a more efficient and cost effective service, inline with relevant objective f), remain concerned that the potential removal of the within day read provision would inhibit its ability to effectively discharge its Supplier Licence obligations.</li> <li>• Should 0466A be implemented, would need to upgrade some of its systems to accommodate the influx of within day data via the IX. However, should 0466 be implemented then an exercise to install AMR throughout their portfolio would be required with the consequence that significant (additional) costs would need to be passed on to customers.</li> <li>• Sees no reason as to why either modification could not be implemented as soon as practicably possible.</li> <li>• Whilst not reviewing the legal text for 0466, are happy that the legal text for their modification (0466A) delivers the intent of the modification.</li> </ul>
Wales & West Utilities	Support 0466 & Comments <a href="#">0466A</a>	0466	f) - positive	<ul style="list-style-type: none"> <li>• Feels that whilst the 0466A solution proposes provision of a User Pays IX based solution, it remains unclear whether this service will be utilised. Furthermore it believes that it is an inefficient use of Xoserve resources to develop a new service unless there is clear evidence that this new service would be utilised – WWU's ultimate decision on whether or not to support 0466A depends upon responses to the question as to 'How many sites are likely to take up the service?'.</li> <li>• Believe that any implementation date decision is a matter for UNC Committee consideration.</li> <li>• Whilst broadly supportive of the legal text, believe that it could be improved by making it clear that the 'within day data' is the data that the Transporter may collect in accordance with UNC TPD Section M4.2.1 provisions. Concerns remain that as drafted, the legal text could be the subject of a future dispute around interpretation.</li> <li>• Notes that the Proposer of 0466A is keen to have data sent by a more secure means than the current email provision, in order to enable Suppliers to better fulfil their licence obligations. In doing so, WWU also highlights that whilst information provided by Transporters via the Post</li> </ul>



				<p>Emergency Metering Service (PEMS) also provides support to Suppliers in discharging their obligations, no move to provide for a more secure data provision for this has been made – in fact a decision (by Suppliers) to move away from encrypted emails was made previously.</p> <ul style="list-style-type: none"> <li>• It is felt that as a result of smart metering rollout, both PEMS and Daily Metered services will, or are likely to, undergo significant change within the next two years, baring in mind that the DM 'voluntary' service ends 01 October 2015 (or 01 April 2016 should modification 0514 be implemented) – in recognising that PEMS is not a UNC matter, WWU remains surprised at the apparent inconsistent approach.</li> </ul>
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The representations for Modifications 0466 and 0466A are published alongside the Final Modification Report.

### **Workgroup Consideration of Additional Issues Identified by Panel**

The workgroup were requested to consider the following issues by Panel:

1. whether the scope of Modification 0466A includes telemetry equipment within the scope of Daily Read Equipment; and
2. if there is a requirement for National Grid NTS to provide daily read data utilising IX.

In respect of Modification 0466A, a Variation Request was submitted to Panel to exclude telemetered sites (both Distribution and NTS) from the scope of the provision of within day data. This simplified the process proposed to be implemented and answered the concerns raised in the Panel questions above. The Variation Request also clarified that the service was optional.

Modification 0466A was therefore deemed to be withdrawn and replaced by 0466AV.

Section 8 of this report explains the Panel determinations related to this varied modification.

## 7 Panel Discussions

### **0466 and 0466A – Consideration at the November 2014 Panel meeting**

Members noted that Modifications 0466 and 0466A propose to amend the current Daily Metered (DM) sites regime as some consider it is not fit for purpose given the advent of new read procurement technologies. They also noted that the present provisions could be considered unduly restrictive and inconsistent with the need for Transporters to provide an efficient and cost effective service to Users and consumers. Both modifications propose to simplify the obligations on Transporters, which is expected to support delivery of a more efficient service and therefore further Relevant Objective f) Promotion of efficiency in the implementation and administration of the Code.

In addition, Members noted that 0466A proposes to retain and firm up the transporter's existing obligations to provide within-day data for Daily Read customers, with the information being provided using a more secure method than email. Some Members felt this approach appropriately offsets the reduction in service liabilities proposed by these modifications and aids Shippers/Suppliers to meet their license obligations, where currently there were no alternative competitive services available for within Day readings.

It was noted that comments had been received on the Legal Text for 0466A; that it exceeds the intention of the modification for the provision of within Day data as a User Pays service. Members also noted that the representations elicited limited data about likely take-up of the proposed service. Finally, Members noted respondents' concerns about implementation timescales.

Members considered 0466 and agreed implementation would have a positive impact to relevant objective (f), but failed to determine to recommend that Modification 0466 be implemented with 5 votes (out of a possible 11) in favour.

Members then considered 0466A and believed new issues had been raised which required further consideration by the Workgroup, with a further report requested by the February 2015 Panel.

### **0466 and 0466AV – Consideration at the February 2015 Panel meeting**

Following consideration by the Workgroup the proposer requested a variation of 0466A to clarify that telemetered sites are not required to make within day data available and that the service is optional. Members considered the request and believed that it would be unlikely to change any respondents' positions. National Grid NTS indicated that the request had adequately addressed their concerns and that the objection could be removed. Members agreed that this was a pragmatic way of dealing with the Variation Request, and proceeded to consider 0466AV.

Members determined unanimously that this variation was not material and, in accordance with the Modification Rules, agreed 0466AV could continue from the point reached by 0466A. Members considered 0466AV and agreed implementation would have a positive impact to relevant objective (f) for the same reasons as in their earlier considerations, and then voted with 10 votes in favour (out of a possible 11), to recommend implementation of Modification 0466AV.

Members then considered which of Modification 0466 and 0466AV would, if one were to be implemented, better facilitate the achievement of the Relevant Objectives. Members voted and, with 6 votes in favour that, of the two modifications, Modification 0466 would be expected to better facilitate achievement of the relevant objectives.

## 8 Recommendation

### Panel Recommendation

Having considered Modification Report 0466/0466AV, the Panel recommends:

- that proposed Modification 0466 should not be made; and
- that proposed Modification 0466AV should be made.
- that proposed Modification 0466AV does not better facilitate the Relevant Objectives than proposed Modification 0466.