

UNC Workgroup Report	At what stage is this document in the process?
<h1>UNC 0633:</h1> <h2>Mandate monthly read submission for Smart and AMR sites from 01 December 2017</h2>	<div style="display: flex; flex-direction: column; gap: 5px;"> <div style="border: 1px solid #ccc; border-radius: 5px; padding: 5px; display: flex; align-items: center; gap: 5px;"> 01 Modification </div> <div style="border: 1px solid #ccc; border-radius: 5px; padding: 5px; display: flex; align-items: center; gap: 5px;"> 02 Workgroup Report </div> <div style="border: 1px solid #ccc; border-radius: 5px; padding: 5px; display: flex; align-items: center; gap: 5px;"> 03 Draft Modification Report </div> <div style="border: 1px solid #ccc; border-radius: 5px; padding: 5px; display: flex; align-items: center; gap: 5px;"> 04 Final Modification Report </div> </div>
<p>Purpose of Modification:</p> <p>This modification brings forward to 01 December 2017 the effective implementation date of the CMA remedy mandating Smart and AMR meters to submit reads on a monthly basis from 01 April 2018. This will enable utilisation of more consumption data throughout industry processes and will ease Unidentified Gas (UIG) exposure for Shippers.</p>	
	<p>The Workgroup recommends that this modification should be:</p> <ul style="list-style-type: none"> subject to self-governance considered a material change and not subject to self-governance further assessed by a Workgroup proceed to Consultation <p>The Panel will consider this Workgroup Report on 09 October 2017. The Panel will consider the recommendations and determine the appropriate next steps.</p>
	<p>High Impact:</p> <p>Shippers and Transporters</p>
	<p>Medium Impact:</p>
	<p>Low Impact:</p>

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Modification timetable:	
Initial consideration by Workgroup	26 October 2017
Workgroup Report presented to Extraordinary Panel	09 November 2017
Draft Modification Report issued for consultation	09 November 2017
Consultation Close-out for representations	20 November 2017
Final Modification Report available for Panel	21 November 2017
Modification Panel decision	24 November 2017

 Any questions?

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1 Summary

What

The CMA has directed the industry to submit reads for Smart and Automated Meter Reading (AMR) sites every month from 01 April 2018 to improve settlement accuracy. This leaves a period of six months where the current processes will stay in place.

Why

The benefits of moving this date forward 6 months to 01 December 2017 will be seen in both potentially reduced Unidentified Gas (UIG) and reduced scaling factor volatility.

How

This modification is proposing to bring forward to 01 December 2017, the effective implementation date of the CMA remedy that all sites with Smart or AMR devices to submit 1 read per month from 01 April 2018.

2 Governance

Justification for Authority Direction

The Modification Panel determined that this modification should be subject to Authority Direction as currently it is estimated that UIG costs are around £20-40m a month to the industry, which is driven in part by inaccurate Aqs caused by a lack of meter reads. This modification should have a significant impact in improving the accuracy in Aqs, hence UIG volatility. This modification might therefore have a material impact on shippers who will be required to submit reads every month to deliver post-Nexus benefits to consumers and help reduce UIG.

Requested Next Steps

This modification should:

- be considered a material change and not subject to self-governance
- be assessed by a Workgroup

This modification is not formally requesting urgent status, but owing to the levels of UIG currently being experienced in the market and the need to deploy the solution as soon as possible, a compressed timescale for considering the modification is requested.

3 Why Change?

The CMA has directed the industry, as part of its investigation into the Energy Market, for every site with a smart or AMR meter installed to submit one Valid Meter Read each month to Xoserve from 01 April 2018.

The proposer supports this proposition, but believes that industry will benefit from having this obligation brought in earlier, as more accurate settlement will reduce the current high levels of UIG and volatility being experienced in the market.

4 Code Specific Matters

Reference Documents

The Energy Market Investigation (Gas Settlement) Order 2016

Knowledge/Skills

None

5 Solution

Include a formal obligation in the UNC for every site that has either a Smart Meter or AMR device installed to submit one valid read a month from 01 December 2017.

6 Impacts & Other Considerations

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

There is no impact on any other industry change or the SCR.

Consumer Impacts

No impact

Cross Code Impacts

There may be an impact on the iGT UNC in terms of referencing and similar obligations.

EU Code Impacts

There is no impact on any EU energy code

Central Systems Impacts

Changes to UK Link systems are not anticipated as the capacity currently exists for the additional reads to be implemented. It is expected that the Performance Assurance Committee (PAC) would monitor compliance.

7 Relevant Objectives

Impact of the modification on the Relevant Objectives:

Relevant Objective	Identified impact
a) Efficient and economic operation of the pipe-line system.	None
b) Coordinated, efficient and economic operation of	None

(i) the combined pipe-line system, and/ or (ii) the pipe-line system of one or more other relevant gas transporters.	
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.	None
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 will increase the number of meter reads that are used in settlement, which will improve settlement accuracy and hence cost apportionment. This will further competition and relevant objective (d).

8 Implementation

No formal implementation date is proposed, but the proposer is seeking implementation by 01 December 2017, which we have communicated to the regulator.

9 Legal Text

None provided.

10 Recommendations

Workgroup's Recommendation to Panel

The Workgroup asks Panel to agree that:

- This modification should proceed to consultation.
- This proposal requires further assessment and should be returned to Workgroup.