

Representation - Draft Modification Reports

UNC 0633 - Mandate monthly read submission for Smart and AMR sites from 01 December 2017

UNC 0638 - Mandate monthly read submission for Smart and AMR sites from 01 April 2018

Responses invited by: **5pm on 20 November 2017**

To: enquiries@gasgovernance.co.uk

Representative:	Gavin Anderson
Organisation:	EDF Energy
Date of Representation:	20.11.17
Support or oppose implementation?	0633 - Oppose 0638- Support
Preference:	<i>If either 0633 or 0638 were to be implemented, which would be your preference?</i> 0638* <i>delete as appropriate</i>
Relevant Objective:	d) Positive

Reason for support/opposition: Please summarise (in one paragraph) the key reason(s)

EDF Energy will deliver the requirements of the CMA Gas Settlement Order, as transposed in to Gas Supply Licence condition 21B.4b, which provides an implementation date of 1 April 2018. Therefore, we support the implementation of UNC0638. Given that these modifications are currently under consultation and will require Authority approval, we believe it is unreasonable to amend the implementation date at such short notice. We would not be able to support the UNC633 proposal to bring forward the implementation date to 1 December 2017, as it does not provide sufficient time to finalise the system development required.

Implementation: *What lead-time do you wish to see prior to implementation and why?*

We will implement the changes required to achieve the original effective date set by the CMA.

EDF Energy would not be able to develop these requirements in time for a 1 December 2017 implementation. During the recent Ofgem consultation regarding UNC594R industry was asked to provide feedback on the lead time needed to deliver the

requirements. The industry collectively indicated that April 2018 was realistic and achievable; we see no reason to deviate from this intention.

Impacts and Costs: *What analysis, development and ongoing costs would you face?*

EDF Energy has provided detailed analysis to Ofgem as part of the recent consultation on UNC594R. We are currently focussing our resource on delivering the requirements for the original 1 April 2018 implementation date.

We strongly disagree with the proposal to bring forward the date, or even to consider the impact and feasibility at such short notice. This would require us to channel resource away from other regulatory projects.

If there is support for a 1 December implementation, we believe that this should be made optional for suppliers. We acknowledge that suppliers will be at different stages of implementation, and in fact some may already have the capability. It may be realistic to request that suppliers comply with the requirements as early as possible, and in any event by the 1 April deadline already set.

Legal Text: *Are you satisfied that the legal text will deliver the intent of the Solution?*

We cannot provide any views on this as there is no legal text within the proposal.

Modification Panel Members have requested that the following questions are addressed:

Q1: Is this proposal inconsistent with the CMA requirement?

Yes. The CMA has directed the industry to submit reads for Smart and Automated Meter Reading (AMR) sites every month from 1 April 2018, to improve settlement accuracy. The proposal to bring the date forward to 1 December 2017 is an inconsistent approach to that outlined by the CMA, and reflected in licence.

Q2: Do you believe there are any implications and/or consequential impacts that this proposal might have on Transporters' "must read" obligations?

Yes. We believe the existing Must Read provisions, associated with annual read and monthly read sites, will require review based on the implementation of 633/638. Smart and AMR sites will need to be set as 'monthly read' in order to reflect the requirement to submit readings at least monthly. Monthly read sites carry a Must Read parameter of 4 months.

Under Supply Licence Condition 49, suppliers have an obligation to 'take all reasonable steps to establish and maintain communication' with a smart meter. This requirement sets a higher standard for suppliers to attain, under which suppliers are likely to be making significant effort to resolve any issues preventing communication. Therefore, we believe that smart meters should be exempt from the Must Read requirements under the UNC.

Are there any errors or omissions in this Modification Report that you think should be taken into account? *Include details of any impacts/costs to your organisation that are directly related to this.*

n/a

Please provide below any additional analysis or information to support your representation

EDF Energy does not believe that UNC633 provides any firm evidence to indicate how it would better address the current UIG issues. Whilst we understand the ongoing issues around Unidentified Gas, we are concerned that the time and resource of Ofgem, Xoserve and Suppliers would be better focussed on developing a more strategic and holistic plan to resolve the issues around UIG. We welcome the recommendation from Ofgem that Xoserve should lead on identifying and developing the most appropriate next steps regarding UIG.