

UNC Modification		At what stage is this document in the process?
<h1>UNC 0XXX:</h1> <p><i>(Code Administrator to issue reference)</i></p> <h2>Transfer of sites with low read submission performance from Class 2 and 3 into Class 4</h2>		<div style="display: flex; flex-direction: column; gap: 5px;"> <div style="border: 1px solid green; border-radius: 5px; padding: 2px; display: flex; align-items: center; gap: 5px;"> <span style="background-color: green; color: white; border-radius: 50%; padding: 2px 5px;">01</span> <span style="background-color: green; color: white; border-radius: 5px; padding: 2px 5px;">Modification</span> </div> <div style="border: 1px solid blue; border-radius: 5px; padding: 2px; display: flex; align-items: center; gap: 5px;"> <span style="background-color: blue; color: white; border-radius: 50%; padding: 2px 5px;">02</span> <span style="background-color: blue; color: white; border-radius: 5px; padding: 2px 5px;">Workgroup Report</span> </div> <div style="border: 1px solid purple; border-radius: 5px; padding: 2px; display: flex; align-items: center; gap: 5px;"> <span style="background-color: purple; color: white; border-radius: 50%; padding: 2px 5px;">03</span> <span style="background-color: purple; color: white; border-radius: 5px; padding: 2px 5px;">Draft Modification Report</span> </div> <div style="border: 1px solid orange; border-radius: 5px; padding: 2px; display: flex; align-items: center; gap: 5px;"> <span style="background-color: orange; color: white; border-radius: 50%; padding: 2px 5px;">04</span> <span style="background-color: orange; color: white; border-radius: 5px; padding: 2px 5px;">Final Modification Report</span> </div> </div>
<p><b>Purpose of Modification:</b></p> <p>To create an obligation for shippers to move sites with low read submission performance from Class 2 and 3 into Class 4.</p>		
	<p>The Proposer recommends that this modification should be: <i>(delete as appropriate)</i></p> <ul style="list-style-type: none"> <li>considered a material change and not subject to self-governance</li> <li>assessed by a Workgroup (or)</li> </ul> <p>This modification will be presented by the Proposer to the Panel on <b>dd mmm yyyy</b> <i>(Code Administrator to provide date)</i>. The Panel will consider the Proposer's recommendation and determine the appropriate route.</p>	
	<p>High Impact: Shippers</p>	
	<p>Medium Impact: Transporters</p>	
	<p>Low Impact:</p>	

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2	<b>Governance</b>	3	 <a href="mailto:enquiries@gasgovernance.co.uk">enquiries@gasgovernance.co.uk</a>
3	<b>Why Change?</b>	3	 0121 288 2107
4	<b>Code Specific Matters</b>	4	Proposer: <b>John Welch</b>
5	<b>Solution</b>	4	 john.welch@npower.com
6	<b>Impacts &amp; Other Considerations</b>	4	 07557 170816
7	<b>Relevant Objectives</b>	5	Transporter: <b>Insert name</b>
8	<b>Implementation</b>	5	 email address
9	<b>Legal Text</b>	5	 telephone
10	<b>Recommendations</b>	5	Systems Provider: <b>Xoserve</b>
<b>Timetable</b>			 <a href="mailto:UKLink@xoserve.com">UKLink@xoserve.com</a>
			Other: <b>Insert name</b>
			 email address
			 telephone

**The Proposer recommends the following timetable:** *(amend as appropriate)*

Initial consideration by Workgroup	dd month year
Amended Modification considered by Workgroup	dd month year
Workgroup Report presented to Panel	dd month year
Draft Modification Report issued for consultation	dd month year
Consultation Close-out for representations	dd month year
Variation Request presented to Panel	dd month year
Final Modification Report available for Panel	dd month year
Modification Panel decision	dd month year

## 1 Summary

### What

This modification is being raised on behalf of the PAC.

Post Nexus delivery UIG is shared out using weighting factors determined by the AUGE, and currently less UIG is apportioned to classes 2 and 3. However, poor read submission performance in these settlement classes does not improve the situation regarding temporary UIG but hinders it further. The Performance Assurance Committee (PAC) has been monitoring the situation over recent months, and it has become clear that poor read submission can continue with no incentive (beyond code breach) to rectify the situation in the short term. For this reason the PAC is seeking to create additional incentives in this area to ensure shippers reach a minimum level of read submission performance.

### Why

At present, while read submission performance targets are clearly laid out in the UNC (Section M), there is no further incentive to ensure read submission performance reaches a suitable level. This modification seeks to create a link between read performance and the ability to enjoy reduced levels of UIG exposure. As it stands, without additional incentives, shippers are able to move large numbers of sites (with potentially high associated energy consumption) into these classes and therefore reduce UIG exposure.

### How

It is proposed that an obligation is created for shippers to move sites with poor read performance in class 2 and 3 back into class 4 until such time as they are able to meet the minimum read submission targets. If action is not taken after a certain time period, then an obligation would also be placed on the CDSP to move sites back into class 4.

## 2 Governance

### Requested Next Steps

This modification should:

- be considered a material change and not subject to self-governance
- be assessed by a Workgroup (or)
- be treated as urgent and should proceed as such under a timetable agreed with the Authority

## 3 Why Change?

As it stands currently, performance targets for read submission are clearly laid out in the UNC for all settlement classes. However, parties can benefit from lower UIG weighting factors by moving sites into classes 2 and 3, but with no incentive or link to minimum levels of read submission performance. Without this link, the additional reads available in these classes will not help the temporary UIG situation, but would further hinder it creating more unreconciled gas in these categories.

## 4 Code Specific Matters

### Reference Documents

To be added

### Knowledge/Skills

Insert text here

## 5 Solution

It is proposed that a new obligation is created in section M of the UNC that is linked to read submission performance. This is currently set at [97.5%] for class 2 and [90%] for class 3 – if read performance was lower than these levels for longer than [4] consecutive months, then the obligation would be triggered for that shipper to begin moving sites into class 4. If sites had not been moved into class 4 [2] months after the trigger point, then an obligation placed on the CDSP would enable them to move the affected sites into class 4. So in essence, the shipper is able to remove sites with poor read performance from class 2 or class 3, until such point that read submission performance is achieved. Furthermore, the obligation would be extended so that the affected shipper would not be able to move further (or move back) sites into class 2 or 3 until the read submission level had been maintained for [2] consecutive months.

In addition, the solution would not seek to prevent shippers trialling meters in class 2 and 3 in order to be able to meet the read submission performance targets. For this reason, the obligations above would not be applicable where a party had a population of meters in this class of less than [30] meters and [500,000 total AQ].

## 6 Impacts & Other Considerations

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

None identified.

### Consumer Impacts

This will need consideration by the workgroup. Customers may take up products with suppliers related to the settlement classes; however it is envisioned that associated shippers should be in a position to support minimum read performance before entering these classes at scale.

### Cross Code Impacts

There may be an IGT UNC impact to consider, this should be considered in the workgroup.

### EU Code Impacts

None identified.

## Central Systems Impacts

There should be no central systems impacts, the CDSP already has the facility to move sites in bulk across settlement classes (if needed).

## 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 (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

Demonstration of how the Relevant Objectives are furthered inserted here

## 8 Implementation

Implementation should be as soon as is practical.

## 9 Legal Text

To be provided.

## 10 Recommendations

### Proposer's Recommendation to Panel

Panel is asked to:

- Agree that Authority Direction should apply
- Refer this proposal to a Workgroup for assessment.