

UNC Request Workgroup Report

At what stage is this document in the process?

UNC 0763R:
Review of Gas Meter By-Pass Arrangements

01

Request

02





Workgroup Report








03

Final Modification Report

Purpose of Request:

To request a review of the current Uniform Network Code (UNC) Meter By-Pass arrangements

	The Workgroup asks Panel to agree that this Request should be Closed.
	High Impact: None
	Medium Impact: Shippers, Transporters
	Low Impact: None

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About this document: <p>This report will be presented to the panel on 21 July 2022.</p> <p>The panel will consider whether the Request should be closed or returned to the Workgroup for further assessment.</p>		<div>  enquiries@gasgovernance.co.uk </div> <div>  0121 288 2107 </div> <div> Proposer: Claire Roberts ScottishPower </div> <div>  clairelouise.roberts@scottishpower.com </div> <div>  0141 614 5930 </div> <div> Systems Provider: Xoserve </div> <div>  UKLink@xoserve.com </div> <div> Additional contacts: PAFA </div> <div>  PAFA@gemserv.com </div>

1 Request

Why is the Request being made?

Through the management of the Performance Assurance Committee (PAC) Risks and Issues Register, a risk was identified relating to Meter By-Pass values.

The risk highlighted to the PAC related specifically to settlement accuracy in the event that a Meter By-Pass was installed and left in an 'Open' position, allowing the consumption on that site to bypass the meter with no incrementing read.

At the direction of the PAC, further analysis of the issue was undertaken by Xoserve between July 2020 and January 2021. This analysis revealed that there are presently circa 13k Meters with By-Passes recorded in UK Link as 'Open' or 'Closed', with some dating as far back as 2004.

The PAC were concerned with the accuracy of the Meter By-Pass data within UK Link and so a further exercise was carried out at the request of the PAC. Datasets were issued to all Shippers in October 2020 containing Meters where a By-Pass was recorded on UK Link. Shippers were asked to investigate all sites flagged with an 'Open' By-Pass and a sample of sites with a 'Closed' By-Pass.

While a number of responses were received, movement in the number of Meters with By-Passes recorded in UK Link was relatively small. Discussions with responding Shippers were positive but also highlighted a general lack of clarity in relation to the process for updating By-Pass information.

Consequently, the PAC are concerned that the existing Meter By-Pass arrangements as defined in the UNC may not be clear and fit for purpose and that the associated Meter By-Pass data held in UK Link may not be accurate, creating a risk to settlement accuracy and unidentified gas (UIG).

Therefore, this Request has been raised to review the existing Meter By-Pass arrangements.

Scope

The scope of the review should include but not be limited to:

1. The existing Meter By-Pass arrangements as defined in the UNC; and
2. The accuracy of Meter By-Pass data recorded within industry systems such as UK Link.

Impacts & Costs

Undertaking a detailed review of the Meter By-Pass arrangements may necessitate input from Shippers, Gas Transporters, Xoserve and potentially Meter Asset Managers and Meter Reading / Inspection Agents.

Recommendations

Panel is requested to put in place a review of the current Meter By-Pass arrangements to ensure they continue to remain fit for purpose and that the associated Meter By-Pass data held within industry systems remains accurate. It is anticipated that the workgroup could recommend changes to the industry arrangements and codes if warranted by the findings of the review.

2 Impacts and Costs

Consideration of Wider Industry Impacts

The Request could potentially have an impact on aspects governed by and developments of the Retail Energy Code (REC) and / or the Supply Point Administration Agreement (SPAA)¹.

This Request should also consider any potential Cross Code impacts, in particular Independent Gas Transporter (IGT) UNC and SPAA governance.

The Request should also consider the impact of any associated Meter By-Pass arrangements/guidance/governance set out in the Meter Asset Manager Code of Practice (MAMCoP) and Institute of Gas Engineers and Managers (IGEM) standards.

Impacts

Impact on Central Systems and Process	
Central System/Process	Potential impact
UK Link	<ul style="list-style-type: none"> Improvement to data accuracy
Operational Processes	<ul style="list-style-type: none"> Improved clarity in relation to Meter By-Pass arrangements

Impact on Users	
Area of Users' business	Potential impact
Administrative and operational	<ul style="list-style-type: none"> Improved clarity in relation to Meter By-Pass arrangements and UNC requirements.
Development, capital and operating costs	<ul style="list-style-type: none"> None identified
Contractual risks	<ul style="list-style-type: none"> None identified
Legislative, regulatory and contractual obligations and relationships	<ul style="list-style-type: none"> Improved clarity in relation to Meter By-Pass arrangements and improved clarity in relation to settlement accuracy.

Impact on Transporters	
Area of Transporters' business	Potential impact
System operation	<ul style="list-style-type: none"> None identified
Development, capital and operating costs	<ul style="list-style-type: none"> None identified
Recovery of costs	<ul style="list-style-type: none"> None identified
Price regulation	<ul style="list-style-type: none"> None identified

¹ Supply Point Administration Agreement (SPAA)

The Supply Point Administration Agreement (or SPAA) was the industry code setting out obligations on Gas Suppliers and Gas Transporters, primarily to facilitate the effective customer switching arrangements in the gas market. It was established in 2004, and its activities were overseen by SPAA Limited and the SPAA Board of Directors. The obligations in the SPAA were no longer effective from 01 September 2021, as the Retail Energy Code V2.0 came into force. REC incorporated the SPAA obligations alongside those within the Master Registration Agreement and a number of other operational codes.

Impact on Transporters	
Contractual risks	<ul style="list-style-type: none"> None identified
Legislative, regulatory and contractual obligations and relationships	<ul style="list-style-type: none"> Improved clarity in relation to Meter By-Pass arrangements. Improved clarity in relation to settlement accuracy
Standards of service	<ul style="list-style-type: none"> Improved clarity in relation to Meter By-Pass arrangements

Impact on Code Administration	
Area of Code Administration	Potential impact
Modification Rules	<ul style="list-style-type: none"> None identified
UNC Committees	<ul style="list-style-type: none"> Minor impact – PAC leading to improved insight
General administration	<ul style="list-style-type: none"> None identified
DSC Committees	<ul style="list-style-type: none"> None identified

Impact on Code	
Code section	Potential impact
	<ul style="list-style-type: none"> To be considered

Impact on UNC Related Documents and Other Referenced Documents	
Related Document	Potential impact
Network Entry Agreement (TPD I1.3)	<ul style="list-style-type: none"> None identified
General	Potential Impact
Legal Text Guidance Document	<ul style="list-style-type: none"> None identified
UNC Modification Proposals – Guidance for Proposers	<ul style="list-style-type: none"> None identified
Self-Governance Guidance	<ul style="list-style-type: none"> None identified
	<ul style="list-style-type: none">
TPD	Potential Impact
Network Code Operations Reporting Manual (TPD V12)	<ul style="list-style-type: none"> None identified
UNC Data Dictionary	<ul style="list-style-type: none"> None identified
AQ Validation Rules (TPD V12)	<ul style="list-style-type: none"> To be considered
AUGE Framework Document	<ul style="list-style-type: none"> None identified

Impact on UNC Related Documents and Other Referenced Documents	
Customer Settlement Error Claims Process	<ul style="list-style-type: none"> None identified
Demand Estimation Methodology	<ul style="list-style-type: none"> None identified
Energy Balancing Credit Rules (TPD X2.1)	<ul style="list-style-type: none"> None identified
Energy Settlement Performance Assurance Regime	<ul style="list-style-type: none"> None identified
Guidelines to optimise the use of AQ amendment system capacity	<ul style="list-style-type: none"> None identified
Guidelines for Sub-Deduct Arrangements (Prime and Sub-deduct Meter Points)	<ul style="list-style-type: none"> None identified
LDZ Shrinkage Adjustment Methodology	<ul style="list-style-type: none"> None identified
Performance Assurance Report Register	<ul style="list-style-type: none"> To be considered
Shared Supply Meter Points Guide and Procedures	<ul style="list-style-type: none"> None identified
Shipper Communications in Incidents of CO Poisoning, Gas Fire/Explosions and Local Gas Supply Emergency	<ul style="list-style-type: none"> None identified
Standards of Service Query Management Operational Guidelines	<ul style="list-style-type: none"> None identified
Network Code Validation Rules	<ul style="list-style-type: none"> To be considered
	<ul style="list-style-type: none">
OAD	Potential Impact
Measurement Error Notification Guidelines (TPD V12)	<ul style="list-style-type: none"> None identified
	<ul style="list-style-type: none">
EID	Potential Impact
Moffat Designated Arrangements	<ul style="list-style-type: none"> None identified
	<ul style="list-style-type: none">
IGTAD	Potential Impact
	<ul style="list-style-type: none"> To be considered
DSC / CDSP	Potential Impact
Change Management Procedures	<ul style="list-style-type: none"> None identified
Contract Management Procedures	<ul style="list-style-type: none"> None identified

Impact on UNC Related Documents and Other Referenced Documents	
Credit Policy	<ul style="list-style-type: none"> None identified
Credit Rules	<ul style="list-style-type: none"> None identified
UK Link Manual	<ul style="list-style-type: none"> To be considered
	<ul style="list-style-type: none">

Impact on Core Industry Documents and other documents	
Document	Potential impact
Safety Case or other document under Gas Safety (Management) Regulations	<ul style="list-style-type: none"> To be considered
Gas Transporter Licence	<ul style="list-style-type: none"> None identified

Other Impacts	
Item impacted	Potential impact
Security of Supply	<ul style="list-style-type: none"> None identified
Operation of the Total System	<ul style="list-style-type: none"> None identified
Industry fragmentation	<ul style="list-style-type: none"> None identified
Terminal operators, consumers, connected system operators, suppliers, producers and other non code parties	<ul style="list-style-type: none"> To be considered and in particular in relation to Consumers, Suppliers, Meter Asset Managers and Meter Reading/ Inspection Agencies.

3 Terms of Reference

Background

A Meter By-Pass is a fitting through which the flow of gas can be diverted so as not to pass through the meter. Typically, a Meter By-Pass is used to maintain a supply of gas should the meter fail, and/or to allow a meter to be replaced, recalibrated, checked or maintained without interruption to the gas supply.

The circumstances in which a Meter By-Pass would be fitted are limited to specific premises and situations and require the MAM to seek the written approval of the Gas Transporter prior to installation.

Where a Meter By-Pass is installed, the Shipper is required under Section M of the UNC to update UK Link 'as soon as reasonably practicable' via an ONJOB. Where a Meter By-Pass is physically Open, the consumption on that site bypasses the meter and there will be no incrementing read. Once the Meter By-Pass is closed, the Shipper should update UK Link and within a set period, provide a consumption adjustment.

A Meter By-Pass should only be removed at the GT or Gas Act Owner's discretion – i.e., where it is suspected that the Meter By-Pass has been misused; where the Meter By-Pass was installed without

the GT's permission; or where circumstances have changed and no longer meet the criteria for provision of a Meter By-Pass.

The scope of the review should consider the end-to-end process for a Meter By-Pass including but not limited to:

- The circumstances in which it is appropriate to fit a Meter By-Pass
- Notification to UK Link
- Existing UNC arrangements
- Updating the Meter By-Pass status
- Consumption Adjustments as a result of a Meter By-Pass being used
- Meter By-Pass removal
- The accuracy of existing UK Link Meter By-Pass data
- Notification that a Meter By-Pass exists at change of supplier
- Verification that the status of a Meter By-Pass has physically remained as declared, continuously through that period
- Consequences of opening a Meter By-Pass and when they are used
- Provision of clarity around settlement risk

Topics for Discussion

- Understanding the objective
- Assessment of alternative means to achieve objective
- Development of Solution (including business rules if appropriate)
- Assessment of potential impacts of the Request
- Assessment of implementation costs of any solution identified during the Request
- Assessment of current governance arrangements.

Outputs

Produce a Workgroup Report for submission to the 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. Participation from suppliers and agents with on-site meter operatives would be welcomed.

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.

4 Workgroup Assessment

The Workgroup has considered the flow chart and the guidance document produced over the months by the proposer with input from Workgroup Participants in great detail. The final version of the two documents contains all the changes requested/suggested by the Workgroup.

Status of the two documents

Workgroup considered what the status of the guidance note and the flow chart should be. The document sits across REC (MEMs) and UNC. The Proposer suggested seeking assistance from REC as to where the document should belong. Panel is also asked to consider where the best place for the document is, so that it remains current and available.

Current arrangements under UNC are fit for purpose. As part of the review this is confirmed that they are fit for purpose and the guidance note and flow chart confirm the interactions of the various parties, many of who are not UNC parties.

Workgroup Participants were pleased with the outcome of the work done by Xoserve led by M Attwood to reduce the numbers of bypasses open on the system and to encourage Users to submit consumption adjustments where required by code.

Workgroup concluded that the report should be finalised and sent to Panel with the request to close the Request Workgroup.

Appendix 1 will contain the Guidance note.

Appendix 2 will contain the Flow Chart.

These documents will be published alongside the Request Workgroup Report:

<https://www.gasgovernance.co.uk/0763>

5 Modification(s)

None required.

6 Recommendations

Workgroup's Recommendation to Panel

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

Guidance Note and Flow Chart should be published somewhere appropriate, so that it remains current and available.

7 Appendices

Appendix 1 - Guidance note (published alongside this report)

Appendix 2 – Flow Chart (published alongside this report)

