

## Stage 04: Final Modification Report

At what stage is this document in the process?

# 0469S: Transporter Gas Safety Visit Reporting

01

Modification

02

Workgroup Report

03

Draft Modification Report

04

Final Modification Report








Improve transparency of the GSUI Safety Visit process, which is carried out by the Transporters on behalf of Supplier organisations.



Panel consideration is due on 18 December 2014



Medium Impact to: Transporters, Shippers and Suppliers

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About this document:		
This Final Modification Report will be presented to the Panel on 18 December 2014.		
The Panel will consider the views presented and decide whether or not this self-governance change should be made.		
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## 1 Summary

### Is this a Self-Governance Modification?

The Modification Panel determined that this is a self-governance modification, as the production of a monthly report should not have a material impact on competition or consumers.

### Why Change?

Shipperless and Unregistered sites are a major cause of Unidentified Gas and imbalance costs and may result in £millions of Unidentified Gas cost being smeared to shippers. Following a meter removal a supplier is obligated to make the gas service safe. The action of making the service safe mitigates the risk of a site using Unidentified Gas.

Because suppliers do not have rights of access to the property once a Supply Point Withdrawal has been processed, their obligation is discharged to Transporters who conduct a gas safety visit on behalf of the supplier and where relevant they remove the service. Following the Transporters gas safety visit, currently there is no Gas Safety Visit reporting, thus the status of site post visit is unknown.

### Solution

The solution is; following the meter removal, for the status of sites at 18 months to be reported monthly to the industry, via a high level report and to individual shippers via a lower level report.

### Relevant Objectives

The proposals in this modification allow shippers to seek confirmation from Transporters that the status of a meter point is accurately reflected in UK Link and their own systems, following a Transporter site investigation to support Gas Safety disconnection process and that this would further Relevant Objective f) Promotion of efficiency in the implementation and administration of the Code.

### Implementation

As self-governance procedures are proposed, implementation could be sixteen business days after a Modification Panel decision to implement, subject to no Appeal being raised.

### Does this modification affect the Nexus delivery, if so, how?

This modification is unlikely to impact Nexus delivery. However, the Workgroup noted that should this modification be implemented it is likely that reports would need to be suspended for a period of time during and following Nexus implementation.

## 2 Why Change?

### Overview

Within the gas industry there are various proposals to tackle the issue of Shipperless and Unregistered sites including both modifications and changes to the Meter Point Reference Number (MPRN) creation process. However, there is further work that can provide greater transparency of industry process and the outcomes of Gas Safety Visits. Following an Effective Supply Point Withdrawal Shipperless sites can be first identified by a Transporter when completing a Gas Safety Visit, but no reporting exists to confirm the volume of sites that are made safe, disconnected or meter found on site. Transparency is important, as Shipperless and Unregistered sites can result in Unidentified Gas costs being applied to the wrong Shipper party, which can be detrimental to competition.

### Background

Following a meter removal, under the Gas Installation and Use Regulations<sup>1</sup> the Supplier obligation is to remove the service 12 months afterwards if a meter is not reconnected.

16. (3) “(b) where the meter has not been re-installed or replaced by another meter before the expiry of the period of 12 months beginning with the date of removal of the meter and there is no such service valve as is mentioned in sub-paragraph (a)(i) above, ensure that the service pipe or service pipework for those premises is disconnected as near as is reasonably practicable to the main or storage vessel and that any part of the pipe or pipework which is not removed is sealed at both ends with the appropriate fitting”.

Under the current arrangements following a meter removal the Shipper or Supplier has no rights of access to the property to monitor or access the property to ensure the service is not in use. Suppliers discharge their obligation to Transporters who have access to the property and who complete the Gas Safety Visit 12 months after the date of the meter removal.

Sometimes during the Transporter visit, it is identified that a meter remains connected to the network capable of flowing gas. This could be the result of a Shipper not performing a process correctly, or it may be the result of a consumer taking an action to connect a meter. In these circumstances the service is not removed and the site is added to the Xoserve Shipperless report.

In summary we believe it would benefit the industry to better understand;

1. the volumes of Shipperless sites on a month by month basis
2. the status of sites following the Transporter activity

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<sup>1</sup> Gas Installation and Use Regulation <http://www.legislation.gov.uk/ukxi/1998/2451/made>

### 3 Solution

Following a meter removal; at month 18, the Transporter will produce and publish a high level industry Meter Point status report and a lower level shipper report.

The industry reporting, by Network area, by LDZ, will include the following data items with AQ total per data item, the AQ to be determined based on the supply point AQ at the point of withdrawal –

Report data items	Explanation
<b>Same meter</b> in situ capable of flowing gas identified	Same meter* previously registered on industry system identified as in situ. (Mod 424)
<b>Different meter</b> in situ capable of flowing gas identified	Different meter* to that previously registered identified in situ. (Mod 425)
<b>Services suspended</b> by pipe cut off	Service disconnected – (pipe cut off, MPRN set to dead)
<b>Service registered</b> by a shipper during investigation	Query resolved by shipper registering the service
<b>Gas Safe</b> status by default of Transporter activity	Site assumed to be made gas safe by transporter, although risk of Unidentified Gas could exist.
<b>Report Total</b>	New MPRN count for monthly report

\* Meter primarily identified by Meter Serial Number

The lower level reporting should include the above data items and Transporters will issue the data to the currently registered or previously registered shippers, by Shipper ID, by MPRN.

Examples report templates can be found in Appendix 1.2

User Pays	
Classification of the modification as User Pays, or not, and the justification for such classification.	No User Pays Service is amended or created by this modification.
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.	N/A
Proposed charge(s) for application of User Pays charges to Shippers.	N/A
Proposed charge for inclusion in the Agency Charging Statement (ACS) – to be completed upon receipt of a cost estimate from Xoserve.	N/A

## 4 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.	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
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

### Relevant Objective F

The proposals in this modification allow shippers to seek confirmation from Transporters that the status of a meter point is accurately reflected in UK Link and their own systems, following a Transporter site investigation to support Gas Safety disconnection process and that this would further Relevant Objective f) Promotion of efficiency in the implementation and administration of the Code.

## 5 Implementation

As self-governance procedures are proposed, implementation could be sixteen business days after a Modification Panel decision to implement, subject to no Appeal being raised.

For the avoidance of doubt, it is anticipated that the current meters status will be reported on which will reflect a meter removed 18 months ago at the time of implementation. This may require a longer lead-time than the usual sixteen business days to allow reports to be generated at the time of implementation.

## 6 Legal Text

### Text Commentary

Clause 15.1 – These provisions regarding gas safety visits are discreet from other UNC provisions so it is appropriate to have definitions the applicability of which is contained to this Clause 15.

As required by the proposal, reports are not required in respect of the first eighteen months following removal of the relevant meter. The information to be provided is set out in the tables at Annexes V-11 and V-12.

### Text

The following Text has been prepared by National Grid at the request of the Modification Panel. No issues were raised by the Workgroup.

### UNC Transportation Principal Document Section V

*The following shall be added as a new Paragraph 15:*

### **15 GAS SAFETY VISITS**

15.1 Notwithstanding any other provision, throughout this paragraph 15 the following meanings shall apply:

- (a) The “Gas Safety Reports” are:
  - (i) a report detailing the information referred to in Annex V-11 (“Industry Gas Safety Report”); and
  - (ii) a report detailing the information referred to in Annex V-12 (“Shipper User Gas Safety Report”), together “the Gas Safety Reports”in respect of a Primary Meter;
- (b) “Primary Meter” has the meaning given in the Regulations from time to time;
- (c) the “Regulations” means the Gas Safety (Installation and Use) Regulations 1998.

15.2 Where, following the removal of a Primary Meter, the Transporter performs a Supplier’s obligations under Regulation 16(3)(b) of Regulations 1998, the Transporter shall publish Gas Safety Reports in accordance with paragraph 15.3 below.

15.3 After a period of eighteen months from the removal of the relevant Primary Meter, the Transporter shall publish the Gas Safety Reports in respect of each calendar month.

The following shall be added as new Annexes V-11 and V-12

#### Annex V-11

##### Industry Gas Safety Report

The report is to include the following data items amalgamated by Network and LDZ with total Annual Quantity per data item

Report data items	Explanation
<b>Same meter</b>	Supply Meter identified with the same Meter Serial Number previously recorded on the Supply Point Register
<b>Different meter</b>	Supply Meter identified with a different Meter Serial Number previously recorded on the Supply Point Register
<b>Service cut off</b>	Service pipe physically disconnected, MPRN status of DE (dead)
<b>Service registered</b>	Relevant Supply Point pertinent to MPRN where an appropriate Supply Point Registration has been recorded
<b>Gas Safe</b>	MPRN status of CL (clamped), CA (capped) or LI (live) – assumed to be GS(I&U)R compliant
<b>Report Total</b>	New MPRN count for monthly report

#### Annex V-12

##### Shipper User Gas Safety Report

The detailed report is to include the following data items, at Supply Meter Point Reference Number (MPRN) level, with Annual Quantity and provided only to the currently registered or previous Shipper User

Report data items	Explanation
<b>Same meter</b>	Supply Meter identified with the same Meter Serial Number previously recorded on the Supply Point Register
<b>Different meter</b>	Supply Meter identified with a different Meter Serial Number previously recorded on the Supply Point Register
<b>Service cut off</b>	Service pipe physically disconnected, MPRN status of DE (dead)
<b>Service registered</b>	Relevant Supply Point pertinent to MPRN where an appropriate Supply Point Registration has been recorded
<b>Gas Safe</b>	MPRN status of CL (clamped), CA (capped) or LI (live) – assumed to be GS(I&U)R compliant
<b>Report Total</b>	New MPRN count for monthly report



## 7 Consultation Responses

Of the 7 representations received implementation was unanimously supported.

Representations were received from the following parties:

Organisation	Response	Relevant Objectives	Key Points
British Gas	Support	f- positive	<ul style="list-style-type: none"> <li>Shipperless and Unregistered sites are a major cause of Unidentified Gas and imbalance costs. This report will provide better information relating to the meter status, confirming the meter is removed, gas safe, registered to a shipper or requiring further investigation by a shipper.</li> <li>The additional reporting will provide reassurance the industry is functioning correctly or provide information to the shipper to ascertain if an investigation is required.</li> <li>Request that the implementation date is linked to the start of a monthly reporting period. However, it is understood that there will be a lead time before the reports are produced and published, but expect these to cover the period from implementation.</li> <li>Understand that during the implementation of the new UK Link replacement system, the reports may be deferred until the new system has bedded in. Following the transition period, they believe the reports for the relevant periods would be appropriately backdated and published in line with the intention of the modification.</li> </ul>
Gazprom	Support	f- positive	<ul style="list-style-type: none"> <li>Improves transparency of the status of meters following a Transporter Gas Safety visit.</li> <li>Would like the reports provided as soon as reasonably practicable following implementation.</li> </ul>
National Grid Distribution	Support	f- positive	<ul style="list-style-type: none"> <li>Whilst the relevant parts of GS(I&amp;U)R regarding service pipe isolation is a Supplier obligation, and could be argued is not directly relevant to the UNC, we understand Shipper concerns regarding a potential link with Unidentified Gas. Therefore if the report goes some way to aid Shippers in this area then we are supportive.</li> <li>This modification will require a new report to be provided by Xoserve. This is subject clarification of requirements and we are therefore not able to identify an implementation date.</li> </ul>
Northern Gas Networks	Support	f - positive	<ul style="list-style-type: none"> <li>Notes that whilst DN's carry out visits to fulfil suppliers' obligations, efforts to increase transparency are supported.</li> <li>Implementation will help provide surety that the process is working properly and the risk of</li> </ul>

			unregistered gas being taken from the Network is not increasing.
Scotia Gas Networks	Support	f- positive	<ul style="list-style-type: none"> <li>Notes that there is some linkage between activities undertaken by industry parties following a meter removal and unallocated gas through Shipperless sites and appreciate that shippers would like the proposed reporting for greater clarity in this area.</li> </ul>
SSE	Support	d - positive	<ul style="list-style-type: none"> <li>Supports implementation as this modification will increase transparency of information available to Shippers and help resolve issues with Shipperless sites.</li> </ul>
WWU	Support	f - positive	<ul style="list-style-type: none"> <li>Recognises that although obligations under the GS(I&amp;U)R regarding service pipe isolation rests with suppliers, in practice it is carried out by Transporters. Production of reports may assist Shippers in the identification of Unidentified Gas.</li> <li>Implementation is subject to clarification of requirements by Xoserve.</li> </ul>

Representations are published alongside the Final Modification Report.

## 8 Panel Discussions

## 9 Recommendation

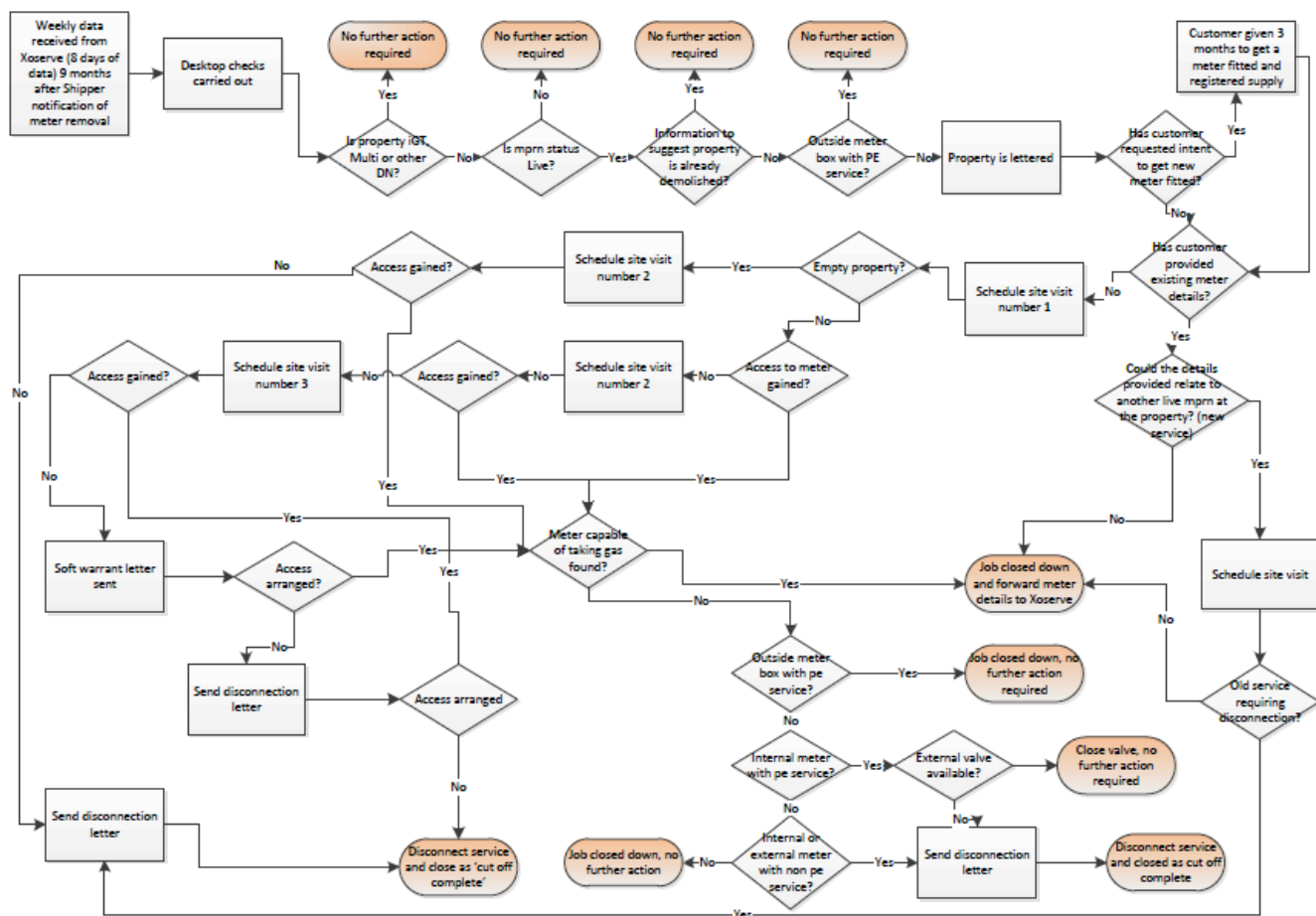
### Panel Recommendation

Having considered the Modification Report, the Panel determined:

- that proposed self-governance Modification 0469S [should/should not] be made.

## 10 Appendix

### Appendix 1.1 – Indicative Gas Safety Visit process flow



Source: Andy Clasper, National Grid

## Appendix 1.2

### Example high-level report template

Network	LDZ	Status	AQ Total

### Example low-level report template

Network	LDZ	Status	MPRN	AQ