

Stage 01: Request

At what stage is this document in the process?

0564R:

Review of Annual Read Meter Reading requirements

01

Request

02

Workgroup Report

A review of the existing UNC obligations concerning the 'cyclic' reading of Annual Read Meters is necessary. This includes the procurement by Transporters of 'must reads' in the event such Meters are not read.



The Proposer recommends that this request should be assessed by a Workgroup



Medium Impact:
Shipper Users and Distribution Network Operators (DNOs)

Contents		 Any questions?
1 Request	3	Contact: Code Administrator
2 Impacts and Costs	4	 enquiries@gasgovernance.co.uk
3 Terms of Reference	6	 0121 288 2107
4 Recommendation	7	Proposer: Chris Warner
About this document:		 chris.warner@nationalgrid.com
This document is a Request proposal, which will be presented by the Proposer to the Panel on 19 November 2015.		 07778 150668
The Panel will consider the Proposer's recommendation, and agree whether this Request should be considered by Panel or be referred to a Workgroup for review.		Transporter: National Grid Distribution
The Proposer recommends the following timetable:		Systems Provider: Xoserve
Initial Panel consideration of the Request	19 November 2015	 commercial.enquiries@xoserve.com
Workgroup Assessment phase complete by	February 2016	
Panel consideration of Workgroup Report by	March 2016	

1 Request

Why is the Request being made?

The provisions of UNC TPD Section M5.9 and M5.10 (Modification 0432 drafting) in the context of Annual Read Meters have not been subject to review for many years. In the light of the forthcoming Performance Assurance framework and increasing industry scrutiny of the accuracy of key gas settlement data being the Annual Quantity (AQ), the proposed cessation of the 'must inspect' conditions contained within the Supplier Licence and the findings of the Competition and Markets Authority (CMA) investigation into the energy market, it is timely that the relevant terms of the UNC are reviewed. This is with respect to the 'cyclic' Annual Meter Reading and 'must read' provisions pertaining to Annual Read Meters.

Scope

Limited to the frequency of the reading of Annual Read Meters and consideration as to when Failure to obtain readings ('must read') provisions should be applied to Annual Read Meters.

Impacts & Costs

To be identified.

Recommendations

It is recommended that this Request Proposal be sent to the Distribution Workgroup for consideration.

Additional Information

1. It is noted that under its recent consultation 'Reforming suppliers' meter inspection obligations' (published 23rd July 2015), Ofgem is proposing to remove the 'must inspect' obligations under Supplier Licence Condition 12. While it is clearly understood that the 'must inspect' obligations have no association whatsoever with the UNC, It is co-incidental that the existing 'must inspect' provisions require the procurement of a Meter Reading by the Supplier and provision of this via the Shipper User to the DNO every two years. It is suggested that this be considered by the Workgroup.
2. It is possible that any changes to UNC which might be proposed as a consequence of this review are not contingent on Project Nexus and may in principle be implemented ahead of the UK-Link programme.

2 Impacts and Costs

Consideration of Wider Industry Impacts

Subject to the outcome of this review it may be necessary for Shipper Users to consider the impacts of possible changes in the frequency of Meter Reading on their Meter Reading Agents and customers. DNOs may also need to consider the consequences of changes in their 'must read' activities should that be an eventuality.

Impacts

Impact on Transporters' Systems and Process	
Transporters' System/Process	Potential impact
UK Link	<ul style="list-style-type: none"> It may be necessary to assess the impacts of changes in Meter Reading traffic to the Transporter Agency should this be an outcome of the review, particularly in the pre-Project Nexus period
Operational Processes	<ul style="list-style-type: none"> As above
User Pays implications	<ul style="list-style-type: none"> There are no such implications

Impact on Users	
Area of Users' business	Potential impact
Administrative and operational	<ul style="list-style-type: none"> Yes – dependent on outcome of the review
Development, capital and operating costs	<ul style="list-style-type: none"> Yes – dependent on outcome of the review
Contractual risks	<ul style="list-style-type: none"> Yes – dependent on outcome of the review
Legislative, regulatory and contractual obligations and relationships	<ul style="list-style-type: none"> Yes – dependent on outcome of the review

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"> Yes, if volumes change
Recovery of costs	<ul style="list-style-type: none"> The costs of 'must reads' are published in the DNO's Metering Charges
Price regulation	<ul style="list-style-type: none"> None identified
Contractual risks	<ul style="list-style-type: none"> None identified

Impact on Transporters	
Legislative, regulatory and contractual obligations and relationships	<ul style="list-style-type: none"> • Yes – dependent on outcome of the review
Standards of service	<ul style="list-style-type: none"> • None identified

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"> • None identified
General administration	<ul style="list-style-type: none"> • None identified

Impact on Code	
Code section	Potential impact
Cyclic Reading: Class 4 Supply Meters	<ul style="list-style-type: none"> • TPD M5.9 (post Modification 0432)
Failure to obtain readings	<ul style="list-style-type: none"> • TPD M5.10 (post Modification 0432)

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
Network Exit Agreement (Including Connected System Exit Points) (TPD J1.5.4)	<ul style="list-style-type: none"> • None identified
Storage Connection Agreement (TPD R1.3.1)	<ul style="list-style-type: none"> • None identified
UK Link Manual (TPD U1.4)	<ul style="list-style-type: none"> • None identified
Network Code Operations Reporting Manual (TPD V12)	<ul style="list-style-type: none"> • None identified
Network Code Validation Rules (TPD V12)	<ul style="list-style-type: none"> • None identified
ECQ Methodology (TPD V12)	<ul style="list-style-type: none"> • None identified
Measurement Error Notification Guidelines (TPD V12)	<ul style="list-style-type: none"> • None identified
Energy Balancing Credit Rules (TPD X2.1)	<ul style="list-style-type: none"> • None identified
Uniform Network Code Standards of	<ul style="list-style-type: none"> • None identified

Impact on UNC Related Documents and Other Referenced Documents	
Service (Various)	

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"> None identified
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"> None identified

3 Terms of Reference

Background

The provisions of UNC TPD Section M5.9 and M5.10 (Modification 0432 drafting) have not been subject to review for many years. In the light of the forthcoming Performance Assurance framework and increasing scrutiny of the accuracy of key industry data, including Annual Quantity (AQ), the proposed cessation of the 'must inspect' provisions of the Supplier Licence and the findings of the CMA investigation into the energy market, it is timely that the relevant terms of the UNC are reviewed. This is with respect to the 'cyclic' reading and 'must read' requirements pertaining to Annual Read Meters.

Topics for Discussion

Workgroup 1 – information gathering

- Background to the Annual Meter Reading requirements, including existing UNC obligations
- Possible Performance Assurance framework-related requirements (source - Engage report 'Gas Market Settlement Risk Quantification' dated 29th January 2015)
- 'Must-inspect' provisions in the Supplier Licence
- Identification of the first cut of fundamental industry requirements for Annual Meter Reading processes
- CMA Energy Market Investigation

Workgroup 2 – agreeing the basic requirements and options analysis

- Agreement on overall industry requirements for Annual Meter Readings
- Identification and development of preferred options / solutions
- Initial assessment of potential impacts of the identified solutions

Workgroup 3 – finalising options and solutions

- Agreement of preferred options / solutions
- Finalise assessment of implementation costs of any solutions

Workgroup 4 - reporting

- Completion of the Workgroup report

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. Shipper representatives not normally involved in the UNC processes will be particularly welcome and invitations will be targeted at these parties.

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 Recommendation

The Proposer invites the Panel to:

- DETERMINE that Request 0564R progress to Workgroup for review.