











UNC Modification	At what stage is this document in the process?
<h1 data-bbox="134 322 715 427">UNC 0[850]:</h1> <h2 data-bbox="134 450 1102 584">Extending the Annually Read PC4 SMP read submission window</h2>	<div data-bbox="1209 309 1468 629"> <div style="border: 1px solid #008000; padding: 2px; margin-bottom: 2px; display: inline-block;">01 Modification</div> <div style="border: 1px solid #0000FF; padding: 2px; margin-bottom: 2px; display: inline-block;">02 Workgroup Report</div> <div style="border: 1px solid #800080; padding: 2px; margin-bottom: 2px; display: inline-block;">03 Draft Modification Report</div> <div style="border: 1px solid #FF8C00; padding: 2px; display: inline-block;">04 Final Modification Report</div> </div>
<p>Purpose of Modification:</p> <p>Under UNC TPD, M, 5.9.4, Shippers have 25 Supply Point Systems Business Days subsequent to the read date to submit a read for settlement. Where there's an issue preventing the read from being validated, and that issue is not resolvable within the 25 Day timeframe, the read becomes unusable. Extending the PC4 read submission window would decrease settlement imbalance, unbilled, UIG, manual AQ fixes, additional site visits, and must reads. Electricity settlement, by comparison, enables 14 months for NHH read submission.</p>	
<p>Next Steps:</p> <p>The Proposer recommends that this Modification should be:</p> <ul style="list-style-type: none"> • subject to Self-Governance • assessed by a Workgroup <p>This Modification will be presented by the Proposer to the Panel on 20 July 2023. The Panel will consider the Proposer's recommendation and determine the appropriate route.</p>	
<p>Impacted Parties:</p> <p>High: Shippers, Suppliers, Consumers</p> <p>Low: Transporters, Independent Gas Transporters</p>	
<p>Impacted Codes:</p> <p>IGT UNC, REC</p>	

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Timetable		
Modification timetable:		
Pre-Modification Discussed	07 June 2023	
Date Modification Raised	xx June 2023	
New Modification to be considered by Panel	20 July 2023	
First Workgroup Meeting	27 July 2023	
Workgroup Report to be presented to Panel	dd month year	
Draft Modification Report issued for consultation	dd month year	
Consultation Close-out for representations	dd month year	
Final Modification Report available for Panel	dd month year	
Modification Panel decision	dd month year	
		 Any questions?
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		 telephone

1 Summary

What

Under UNC TPD, M, 5.9.4, Shippers have 25 Supply Point Systems Business Days subsequent to the read date to submit a read for settlement. Where there's an issue preventing the read from being validated, and that issue is not resolvable within the 25 Supply Point Systems Business Day timeframe, the read becomes unusable.

Why

Extending the Product Class (PC)4 read submission window would decrease settlement imbalance, unbilled, UIG, manual AQ fixes, additional site visits, and must reads. Electricity settlement, by comparison, enables 14 months for NHH read submission.

How

Update UNC TPD, M, 5.9.4.

Delete text which restricts to 25 Supply Point Systems Business Days and instead refer to "14 months".

If necessary to lessen the impact of the change, we may wish to narrow the scope by reducing the read window to a value between 25 Supply Point Systems Business Days and 14 months; we may also wish to narrow the scope to only expand the window for failed reads.

2 Governance

Justification for Authority Direction

As this will have a material impact on consumers, this does not meet self-governance criteria and should follow Authority Direction procedures.

The modification is likely to have a material effect on: (aa) existing or future gas consumers.

Requested Next Steps

This Modification should:

- be considered a material change and not subject to Self-Governance.
- be assessed by a Workgroup.

3 Why Change?

The narrow read submission window of 25 Supply Point Systems Business Days under UNC TPD, M 5.9.4 is too short to resolve failed reads where the issue takes longer than 25 Supply Point Systems Business Days to resolve. Eg. where a site visit or customer contact is required to ascertain metering details on site. Extending the PC4 read submission window would decrease settlement imbalance, unbilled, UIG, manual AQ fixes, additional site visits, and must reads. Electricity settlement, by comparison, enables 14 months for NHH read submission

4 Code Specific Matters

Reference Documents

UNC TPD, M, 5.9.4, 5.9.9

Knowledge/Skills

CDSP's settlement systems

5 Solution

Expand window within which Annually Read PC4 reads can be submitted from 25 Supply Point Systems Business Days (5.9.4, TPD, Section M) to [14 months].

As part of the Workgroup we may wish to:

- a) lower 14 months to a value between 25 SPSBDs and 14 months to negate potential negative impacts on read submission; and/or
- b) maintain 25 SPSBDs, but create a new rule for failed reads, as, ultimately, the failed submission of infrequently read sites due to data issues is the problem we are trying to resolve.

6 Impacts & Other Considerations

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

No.

Consumer Impacts

Less site visits from shipper, supplier, and transporter, more accurate billing, potentially lower bills if UIG is lowered.

What is the current consumer experience and what would the new consumer experience be?

Currently, the narrow window for read submission means that the customer may need to have more engagement via calls, site visits, and billing queries

Impact of the change on Consumer Benefit Areas:

Area	Identified impact
Improved safety and reliability Enables more reliable settlement and billing	Positive
Lower bills than would otherwise be the case Higher read submission leads to lower UIG. Lower UIG translates into lower bills.	Positive

<p>Reduced environmental damage</p> <p>None</p>	None
<p>Improved quality of service</p> <p>Currently, the narrow window for read submission means that the customer may need to have more engagement via calls, site visits, and billing queries. Reduction of any of these will lead to improved quality of service</p>	Positive
<p>Benefits for society as a whole</p> <p>None</p>	None

Cross-Code Impacts

IGT UNC, REC:

- IGT UNC may need a mirror mod
- REC may need to be cognisant for Shipper Agreed Reads process.

EU Code Impacts

None.

Central Systems Impacts

Settlement systems will need to be updated to accommodate the change.

7 Relevant Objectives

Impact of the Modification on the Transporters' Relevant Objectives:

Relevant Objective	Identified impact
a) Efficient and economic operation of the pipe-line system.	None
b) Coordinated, efficient and economic operation of <ul style="list-style-type: none"> (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.	Positive
d) Securing of effective competition: <ul style="list-style-type: none"> (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.	None
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

Impact of the Modification on the Transporters' Relevant Charging Methodology Objectives:

Relevant Objective	Identified impact
a) Save in so far as paragraphs (aa) or (d) apply, that compliance with the charging methodology results in charges which reflect the costs incurred by the licensee in its transportation business;	None
aa) That, in so far as prices in respect of transportation arrangements are established by auction, either: <ul style="list-style-type: none"> (i) no reserve price is applied, or (ii) that reserve price is set at a level - <ul style="list-style-type: none"> (I) best calculated to promote efficiency and avoid undue preference in the supply of transportation services; and (II) best calculated to promote competition between gas suppliers and between gas shippers; 	None
b) That, so far as is consistent with sub-paragraph (a), the charging methodology properly takes account of developments in the transportation business;	None
c) That, so far as is consistent with sub-paragraphs (a) and (b), compliance with the charging methodology facilitates effective competition between gas shippers and between gas suppliers; and	None
d) That the charging methodology reflects any alternative arrangements put in place in accordance with a determination made by the Secretary of State under paragraph 2A(a) of Standard Special Condition A27 (Disposal of Assets).	None
e) 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.	Positive

It will reduce must reads, lowering impacts on Transporters.

8 Implementation

As soon as possible, following approval by the Authority.

9 Legal Text

Suggested legal text:

“5.9.4 The requirement referred to in paragraph 5.9.3 is that, of the Valid Meter Readings obtained by a User pursuant to paragraphs 5.9.7 to 5.9.12 in respect of Relevant Class 4 Supply Meters on any particular Day:

~~(a) not less than 50% are submitted by the 10th Supply Point Systems Business Day after the Read Date;~~

~~(b) not less than 100% are submitted by the 25th Supply Point Systems Business~~

~~Day 14 months~~ after the Read Date and the CDSP shall notify each User of its performance in such respect.”

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.