

## UNC425: Re-Establishment of Supply Meter Points – Shipperless Sites

### Ofgem Initial Drafting Comments on the Business Rules and Legal Text contained in the Final Modification Report dated 16 April 2013 and amended Legal Text provided on 10 July 2013, National Grid’s response and Ofgem’s further comments of 3 September 2013.

#### High Level Comments

1. The Business Rules and Legal Text should be reviewed in order to ensure consistency with each other in particular re: the process to be applied and the persons referred to;
2. Consistency and precision of terms and phrases should be ensured throughout i.e. care should be taken to ensure that (a) the same terms and phrases are used where the same concept is referred to and vice versa; (b) distinct terms and phrases are used to describe distinct concepts; and (c) precise wording is used in order to remove ambiguity as to what is intended.

Without prejudice to the generality of the above, we set out below some specific comments.

<b>Legal Text</b>				
	<b>Paragraph</b>	<b>Comment</b>	<b>NG Response</b>	<b>Further Comment to NG</b>
<b>1.</b>	3.7.8	We note that this refers to circumstances where gas is or was being offtaken “during such period” without defining the period referred to.  Query, is this intended to be the same period referred to in the equivalent provision at existing TPDG provision 3.7.4 (dealing with circumstances where the same meter is identified) i.e. “the period from the date of Isolation to the date of Re-establishment”.	Amended - period is “from the date of Isolation to the date of Re-establishment”	None
<b>2.</b>	3.7.8(b), 3.7.10(a),	We note that liability of the Registered User for all charges associated with the	3.7.8(b) amended to “later of the date of Isolation or Meter Fix Date if known” (NG	We note that a number of amends aimed at consistency

	<p>3.7.10(b), 3.7.13(a), 3.7.14 (a)(i), 3.7.14, 3.7.16(b), 3.7.17</p> <p>BR 14, 15, 17, 19, 36</p>	<p>Supply Meter Point is specified as being:</p> <p>“from the date of Isolation or such later date as the User may demonstrate to the Transporter’s reasonable satisfaction that the Supply Meter was fitted”</p> <p>Cf: the wording at 3.7.10(a), 3.7.9(ii) 3.7.10(b), 3.7.13(a) and 3.7.14 (a)(i) 3.7.14, 3.7.17 and 3.7.16 and BRs 15, 17 and 36.</p> <p>(a) Are the following discrepancies intentional, and if so for what reason:</p> <p>(i) The distinction between reference to the date of Isolation and date of Effective Supply Point Withdrawal e.g. does this reflect that 3.7.8 refers to isolation only incidents and 3.7.9 et seq. to Effective Supply Point Withdrawal, in which case should 3.7.10(a) refer to effective Supply Point Withdrawal. Note also the distinction</p>	<p>confirmed during telcon of 25 July that distinction between reference to Isolation at 3.7.8 and effective supply point withdrawal at 3.7.9 et seq relates to the fact that 3.7.8 refers to Isolated only sites)</p> <p>3.7.13(a), 3.7.14(a)(i), 3.7.17 (now 3.7.18(a)(i)) – “the later of the date of Effective Supply Point Withdrawal or the Meter Fix Date if known.”</p> <p>3.7.10 (a) and (b) – NG clarified during telcon of 25 July that distinction was deliberate.</p> <p>3.7.16(b) – NG have kept as “from the date of Isolation or such later date as the User may demonstrate to the Transporter’s reasonable satisfaction that the Supply Meter was fitted”</p> <p>3.7.18(a)(i) – meter fix date not defined; no reference to “the later of”.</p>	<p>of dates for liability / Supply Point Registration Date have been made, but that:</p> <ul style="list-style-type: none"> <li>- At 3.7.16(b) this has been kept as “from the date of Isolation or such later date as the User may demonstrate to the Transporter’s reasonable satisfaction that the Supply Meter was fitted”;</li> <li>- At 3.7.18 this has been amended to refer to “the date of the Effective Supply Point Withdrawal or the meter fix date if known” (i.e. no reference to “the later of”; meter fix date not capitalised).</li> </ul> <p>NG to clarify whether this is intentional.</p>
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		<p>between the date for liability for the charges at 3.7.10(a) and (b) and new 3.7.9(ii) which refers to obligations being applied as if the Effective Supply Point Withdrawal never became effective;</p> <p>(ii) The distinction between the meter fixed date being as notified to the Transporter or as demonstrated to the Transporter's reasonable satisfaction, and if so what is the justification for this distinction?</p> <p>(b) The wording in 3.7.8 (b) does not provide a method for determining how to chose which of the two apply i.e. it leaves open the possibility that if the Shipper does demonstrate the meter fix date to the Transporter's reasonable satisfaction, liability could still be from the date of Isolation cf. 3.7.10, 3.7.13(a) and 3.7.14(a)(i) which specified it</p>		
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		will be the "later of" the two circumstances.		
<b>3.</b>	3.7.10 3.7.11	<p>Our understanding is that the term "Relevant Registered User" as defined at TPD G3.7.5(b) refers to the party that was the Registered User at the time of Isolation.</p> <p>Is this the party intended to be referred to at 3.7.10 and 3.7.11 and if so, how does this interact with circumstances where an alternative User is registered in place of the User that was registered at the time of Isolation?</p>	3.7.10 and 3.7.11 amended to refer to the User as determined by para 3.7.9.	None
<b>4.</b>	3.7.10 (a) and (b)	<p>We note the distinction between the charges listed in 3.7.10(a) and 3.7.10(b) cf. the position at 3.7.8(b) and existing provision 3.7.4(b) and 3.7.5(b)(i) which refers to and does not distinguish between "all charges".</p> <p>Is this distinction intentional, and if so what is the reasoning behind it?</p>	NG clarified during telcon on 25 July that this was intentional.	None
<b>5.</b>	3.7.12	<p>We note that provision 3.7.12 sets out a different mechanism for identifying the Registered User in circumstances where gas has not been offtaken (but is capable of being so) than is provided for in 3.7.9 (which is presumably intended to deal with circumstances where it has been offtaken – although this is not currently expressly provided for in the wording of 3.7.9) i.e.</p> <p>(a) In the circumstances dealt with</p>	<p>NG has amended to reflect majority of issues, specifically:</p> <ul style="list-style-type: none"> <li>- Now subject to 3.7.15 (i.e. mechanism for allowing identification of actual User);</li> <li>- Now subject to 3.7.20 (i.e. provisions re: theft);</li> <li>- Transporter subject to requirement to use its reasonable endeavours to record Meter Data / notify the Relevant Registered User.</li> <li>- 3.7.9 amended to reflect distinction</li> </ul>	We note that NG has made a number of amends to reflect previous comments but that 3.7.12 has not been amended to include the wording set out at the start of 3.7.9 from "Where a Supply Meter Point has been Isolated after 1 December 2013" to "from the Total System" i.e. it does not have the wording aimed at ensuring that this does not

		<p>by 3.7.12, the Transporter is not required to record Meter Data nor to notify the Relevant Registered User;</p> <p>(b) It is not subject to 3.7.15.</p> <p>Our initial view is that the legal text as drafted creates both a different mechanism for assigning responsibility and the amount of charges depending on whether gas has or has not been offtaken cf. the mechanism at existing TPDG provision 3.7.5 which has the same mechanism for assigning responsibility but distinguishes between the charges applied.</p> <p>If this distinction is correct, we would be grateful if you could clarify what the justification for this difference in treatment is. Further, in the event that these distinctions are intended for this to be reflected:</p> <p>(a) 3.7.9 would need to be amended to include the words "where gas is or was being offtaken";</p> <p>(b) 3.7.12 would need to be amended to include the wording set out at the start of 3.7.9 from "Where a Supply Meter Point has been isolated" to "from the Total System";</p> <p>(c) The period relevant to the question of whether gas was or was not offtaken would need to be defined.</p>	<p>between it(which deals with circumstances where gas has been offtaken) and 3.7.12 (where it has not);</p> <ul style="list-style-type: none"> <li>- Relevant period has been defined.</li> </ul> <p>However, note that it has not been amended to include the wording set out at the start of 3.7.9 from "Where a Supply Meter Point has been Isolated after 1 December 2013" to "from the Total System" i.e. the wording aimed at ensuring that this does not have retroactive effect and the circumstances in which the provision applies.</p>	<p>have retroactive effect and the circumstances in which the provision applies.</p>
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		<p>If the intention is instead for the methodology to stay the same and only the liability to change, our initial view is that it may be “cleaner” to follow the format used at 3.7.5 e.g. by</p> <ul style="list-style-type: none"> <li>(a) Leaving 3.7.9 as it is whereby it covers all circumstances where the meter is capable of flowing gas (with no distinction between whether gas was or was not offtaken) in terms of the mechanisms for assigning responsibility;</li> <li>(b) Deleting 3.7.12;</li> <li>(c) Including 3.7.10, 3.7.11 as subsections to 3.7.9, making clear that they relate to circumstances where gas has been offtaken;</li> <li>(d) Including 3.7.13 making clear that they relate to circumstances where gas has not been offtaken.</li> </ul>		
6.	<p>3.7.15 3.7.17 3.7.18 BR12</p>	<p>Our reading of 3.7.15 in conjunction with 3.7.17 and BR 12, is that the procedure is that:</p> <ul style="list-style-type: none"> <li>(a) If the Relevant Registered User provides evidence of User Activity that demonstrates to the Transporter’s “reasonable satisfaction” that another User has been involved in User Activity, it will issue a note to that newly identified User notifying them that they are required to register within one</li> </ul>	<p>Not reflected in amends – NG indicated during telcon on 25 July that this is its intention.</p>	<p>It would be advisable to draw the attention of the Working Group to this, consider any representations made and reflect this in the FMR.</p>

		<p>month;  (b) If that User doesn't register within one month, the Transporter will then investigate the evidence provided and if the evidence is deemed not to be conclusive, the last registered shipper will still be registered.</p> <p>Our initial view is that the requirement of "conclusive" evidence represents a high burden of proof on the Relevant Registered Shipper determination of which is at the Transporter's discretion i.e. it means that in the event an identified alternative User simply chooses not to register in response to the Transporter's notification, the only way the Relevant Registered User would avoid being re-registered is if it can demonstrate "conclusively", in the opinion of the Transporter, that the other User should be registered instead. Is this intended?</p>		
<b>7.</b>	3.7.15(d)	<p>Our initial view is that the use of the defined term "User Activity" (which is defined in 3.7.15(a) to refer to four particular types of information) in the first part of (b) is inconsistent with the second part of (b) which refers to further types of information not within that definition as further types of evidence (e.g. photos).</p>	<p>NG confirmed during telcon of 25 July that it would check consistency. No amendments made.</p>	None
<b>8.</b>	3.7.18	<p>Our initial view is that the reference to</p>	<p>Amended to refer to User identified in</p>	None

		"a User identified pursuant to paragraph 3.7.9" does not distinguish between the Relevant Registered User and an alternative User.	accordance with para 3.7.15.	
<b>Business Rules</b>				
	<b>Rule</b>	<b>Comment</b>		
<b>9.</b>	BR1	<p>We note that "Shipperless Site" is defined but then not used elsewhere in the document.</p> <p>Our initial view is that the drafting in its current form could create ambiguity as to whether the BRs are intended to apply to both Shipperless Sites (i.e. those that have been subject to effective Supply Point Withdrawal) and those that have been subject to Isolation only.</p>	NG's view expressed during the telcon of 25 July was that it was not able to amend the Business Rules.	None
<b>10.</b>	BR2, 3 and Res-establishment of Supply Meter Points Business Rules BR 4	<p>We note that a number of different phrases are used throughout the BRs to describe Supply Meters (both different and the same) and in addition that these also differ from the wording used in the Legal Text (3.7.8 and 3.7.9) and existing TPDG provisions (3.7.4 and 3.7.5).</p> <p>Our initial view is that consistent and precise terminology should be used throughout in order to avoid ambiguity.</p>	NG's view expressed during the telcon of 25 July was that it was not able to amend the Business Rules.	None
<b>11.</b>	BR2	We note the reference to "another party".	NG explained during telcon of 25 July that this was not intended to create a mechanism whereby a party other than the	NG may want to consider drawing the attention of the Working Group to the intention



		Our initial view is that this opens up a mechanism for triggering the 425 process which is not otherwise dealt with by the BRs or Legal Text, which refer only to circumstances where the Transporter identifies the relevant meter.	Transporter could trigger the UNC425 process. Rather, it was intended to refer to the fact that if a third party identifies a different Supply Meter at the site, it could notify the Transporter as another way of prompting the Transporter to review begin the UNC425 process.  NG's view expressed during the telcon of 25 July was that it was not able to amend the Business Rules.	behind this (to avoid ambiguity) and to ensure that the relevant intention is reflected in the FMR.
<b>12.</b>	BR6 and Re-establishment of Supply Meter Points Business Rules BR 6, 13, 14 – 17 and throughout	We note that the throughout the document there are a number of references to "relevant Shippers", "Shippers" and "Users".  Our initial view is that references to "relevant Shippers" should be defined in such a way as to be clear which Shipper is being referred to in each instance.	NG's view expressed during the telcon of 25 July was that it was not able to amend the Business Rules.	None
<b>Re-establishment of Supply Meter Points Business Rules</b>				
<b>13.</b>	BR2	We note the provision that "During the Gas Safety Visit, or any other visit, the Transporter will identify if a meter is connected..."  Our initial view is that this places an obligation on the Transporter to carry out such a check whenever it visits a Site. We would be grateful if you could confirm whether this is intended?	NG clarified during telcon of 25 July 2013, that the intention here was to capture that if the Transporter happened to encounter a different Supply Point Meter on the site during a visit, this would trigger the UNC425 process – it was not intended to require the Transporter to purposefully check for such a meter in all visits of whatever nature.  NG's view expressed during the telcon of 25 July was that it was not able to amend the Business Rules.	It would be advisable to draw this to the attention of the Working Group to the intention behind this (to avoid ambiguity) and to ensure that the relevant intention is reflected in the FMR.

14.	BR3	We note that the term "Service" has not been defined.	NG's view expressed during the telcon of 25 July was that it was not able to amend the Business Rules.	None
15.	BR4	<p>We note that BR4 provides that the information the Transporter is to use its reasonable endeavours to record should be that which is "deemed as appropriate" for the Shipper to re-register the site. It then states a set of specific details which the data "should include".</p> <p>Cf. the proposed Legal Text 3.7.8 which provides that it should be "Meter Information" (i.e. the information set out in the UK Link Manual) and any tags and stickers.</p> <p><u>Comment</u></p> <p>Our initial view is that:</p> <ul style="list-style-type: none"> <li>(a) BR4 does not specify how the question of whether the information is appropriate is to be determined;</li> <li>(b) Is inconsistent with the Legal Text by introducing an element of discretion to the Transporter in determining the information that should be collected.</li> </ul> <p>We would be grateful if you could confirm whether the specific types of information listed in BR 4 are consistent with that referred to in the UK Link Manual.</p>	NG's view expressed during the telcon of 25 July was that it was not able to amend the Business Rules.	It would be advisable to draw to the attention of the Working Group the distinction between the language used in the Business Rules and the Legal Text and to reflect this in the FMR.

16.	BR 5 & 6, BR 21	<p>Our initial view is that the reference to Xoserve in brackets following the words Transporter:</p> <p>(a) Potentially restricts the application of the BRs to Xoserve such that the rules would need to be amended should another legal entity become the Transporter;</p> <p>(b) Is potentially inconsistent with the other references to Transporter within the BRs which do not include reference to Xoserve (e.g. BR1).</p>	<p>NG's view expressed during the telcon of 25 July was that it was not able to amend the Business Rules.</p>	None
17.	BR6	<p>We would be grateful if you could clarify whether the reference to the "Withdrawn Supply Point should instead refer to an effective Supply Point Withdrawal.</p>	<p>NG's view expressed during the telcon of 25 July was that it was not able to amend the Business Rules.</p>	None
18.	BR 5 - 9	<p>We note that BRs 5-9 appear to place a series of obligations on the Transporter to carry out certain actions in order to identify who the Visit Data should be sent to. The rules indicate that only after these activities have been carried out, and no alternative User identified, will the information be sent to the last registered shipper.</p> <p>Cf. The Legal Text which imposes no obligation on the Transporter to take pro-active action. Instead, the position is that the information will go to the "Registered Shipper" i.e. the</p>	<p>No amends made to legal text i.e. legal text does not impose an obligation on the Transporter to take pro-active action itself prior to forwarding the relevant information to the relevant User – NG indicated during telcon of 25 July that this was a non-binding intention of what would happen in practice.</p>	<p>It would be advisable to draw the attention of the Working Group to the fact that this aspect is not reflected in the Business Rules and to reflect this in the FMR.</p>

		<p>person in whose name the supply point is registered (in the case of an Isolated site) or the "Relevant Registered User" i.e. the person in whose name the supply point is registered at the time of Isolation (in the case of effective supply point withdrawal) unless it receives the information set out at 3.7.15.</p> <p>Further, we note that the information referred to in 3.7.15 is not consistent with that referred to in BRs 5 – 9. For example BR6 refers to "registrations", which do not appear to be referred to in 3.7.15 and to the undefined term "confirmations" as opposed to the defined "Supply Point Confirmation" at 3.7.15(a)(i).</p>		
19.	BR 5 – 9	<p>Further to the above, our initial view is that the current drafting creates ambiguity as to who the Transporter:</p> <ul style="list-style-type: none"> <li>(a) should send the Visit Data / Meter Data to; and</li> <li>(b) what the process in each scenario is.</li> </ul> <p>For example:</p> <ul style="list-style-type: none"> <li>(a) BR5: it is not clear how such duplication would be resolved (see also BR 21);</li> <li>(b) BR6: the second sentence refers to two potential parties, the previous registered Shipper and the Shipper who has been</li> </ul>	NG's view expressed during the telcon of 25 July was that it was not able to amend the Business Rules.	None

		<p>identified by a Shipper Activity report as having been involved with Shipper Activity post the previously registered Shippers withdrawal date, but is unclear as to which party will then be sent the Visit Data. Consistency should also be ensured with BR7.</p>		
<b>20.</b>	BR 5 – 9	<p>We note that Visit Data is not defined. Our initial view is that consistency in terminology should be ensured between this, BR 4 and Legal Text “Meter Data” definition contained at 3.7.8.</p>	<p>NG’s view expressed during the telcon of 25 July was that it was not able to amend the Business Rules.</p>	None
<b>21.</b>	BR 5 – 9 and BR 13	<p>We note that currently references to issuing Visit Data to the relevant User do not specify who (e.g. the Transporter) is to do the issuing.</p>	<p>NG’s view expressed during the telcon of 25 July was that it was not able to amend the Business Rules.</p>	None
<b>22.</b>	BR 5- 9	<p>We note that there are a number of references to types of “Shipper Activity”, (upper case and lower case) / 3.6.15. Shipper Activity reports. Our initial view is that the terminology used should make clear what is referred to at each stage, and whether this is the same as the User Activity referred to at 3.7.15</p>	<p>NG’s view expressed during the telcon of 25 July was that it was not able to amend the Business Rules.</p>	None
<b>23.</b>	BR 8	<p>Our initial view is that this may not be consistent with 3.7.15.</p> <p>For example BR8 refers to circumstances where a “MAM / Meter Worker” updates the C&amp;D Store. Cf. Legal Text 3.7.15(c) which appears to be broader than this, referring to any</p>	<p>NG’s view expressed during the telcon of 25 July was that it was not able to amend the Business Rules.</p>	None

		"Non-Code Party".		
<b>24.</b>	BR 10 and 11	<p>We note that this provides that if the previously registered Shipper provides evidence of other Shipper activity within the <u>three month period following notification</u>, the Transporter will notify the other Shipper and the other Shipper will have 1 month to register.</p> <p>Our initial view is that this is inconsistent with 3.7.15 which does not limit this to the above 3 month period.</p>	No amends made to Legal Text	Our understanding here, is that the reference to the 3 month period in the Business Rules reflects the fact that if other User Activity information is not provided within 3 months, under 3.7.9 or 3.7.12, the Relevant Registered User will be required to register i.e. while 3.7.15 does not refer expressly to a 3 month limitation on the provision of this information to the Transporter, it is implied by 3.7.9 and 3.7.12.
<b>25.</b>	BR 11	We note that this refers to what is phrased as an exhaustive list of what constitutes Shipper evidence and customer evidence cf. Legal Text 3.7.15(b) which refers to a non-exhaustive list which appears broader than the above definitions.	NG's view expressed during the telcon of 25 July was that it was not able to amend the Business Rules.	None
<b>26.</b>	BR 13	Our initial view is that it is not clear where this fits in the process i.e. is this intended to be the consequence that results from the identification of a Shipper following the process set out in BR 5 – 8.	NG's view expressed during the telcon of 25 July was that it was not able to amend the Business Rules.	It would be advisable to ensure that the Working Group is clear about the intended procedure order.
<b>27.</b>	BR 14 and 15	<p>We note the reference to "contractually register" cf. simply "register" in the Legal Text.</p> <p>We would be grateful if you could clarify whether there is intended to be</p>	NG's view expressed during the telcon of 25 July was that it was not able to amend the Business Rules.	None

		a distinction between these terms, and if not, ensure consistency between them.		
<b>28.</b>	BR 16 & 17	We note that these are not reflected in Legal Text.	NG's view expressed during the telcon of 25 July was that this was the intention.	It would be advisable to draw the attention of the Working Group to this, consider any representations made and reflect this in the FMR.
<b>29.</b>	BR 18 & 19	<p>We note that the BRs as currently drafted provide that in the case of Isolated only sites, the last Registered Shipper will automatically be liable for the site, and that in these circumstances the preliminary checks by the Transporter and the opportunity to carry out an investigation do not apply.</p> <p>(a) Our initial view is that this is inconsistent with Legal Text 3.7.8 and 3.7.15</p> <p>(b) We would be grateful if you could confirm whether, if this is what is intended, it could allow a situation where the last Registered Shipper could have correctly isolated its own meter and has now ended up liable for a supply meter installed illegitimately or be another Shipper who has failed to register it properly.</p>	NG clarified intention during telcon of 25 July and have amended 3.7.8 so that it is no longer subject to 3.7.15.	It would be advisable to draw the attention of the Working Group to this, consider any representations made and reflect this in the FMR.
<b>30.</b>	BR 19 & 20	Not reflected in legal text.	NG's view expressed during the telcon of	It would be advisable to draw

			25 July was that this was the intention.	the attention of the Working Group to this, consider any representations made and reflect this in the FMR.
<b>31.</b>	BR 21	Not reflected in legal text.	NG's view expressed during the telcon of 25 July was that this was the intention.	It would be advisable to draw the attention of the Working Group to this, consider any representations made and reflect this in the FMR.
<b>32.</b>	BR 22	Not reflected in legal text.  In addition, our initial view is that it is not clear whether this is intended to apply to Isolated only sites as well as effective Supply Point Withdrawal sites.	NG's view expressed during the telcon of 25 July was that this was the intention.	It would be advisable to draw the attention of the Working Group to this, consider any representations made and reflect this in the FMR.
<b>33.</b>	BR 24	Please could you clarify whether the cross-references to BR11 and BR13 are correct.	NG's view expressed during the telcon of 25 July was that it was not able to amend the Business Rules.	None

**Ofgem**

**Markets Legal**

**10 July 2013**

**Updated 3 September 2013**