
















Stage 01: Request	At what stage is this document in the process?
<p>0XXX:</p> <p>Meter Reading Submission for Advanced & Smart Metering</p>	<div style="display: flex; flex-direction: column; align-items: flex-start;"> <div style="border: 1px solid #800040; border-radius: 5px; padding: 2px; margin-bottom: 5px; display: flex; align-items: center;"> 01 Request </div> <div style="border: 1px solid #0070C0; border-radius: 5px; padding: 2px; display: flex; align-items: center;"> 02 Workgroup Report </div> </div>
<p>The rollout of Advanced and Smart Metering delivers the opportunity to utilise more frequent consumption data throughout industry processes at marginal cost. This proposal is to consider requiring Shippers to utilise Class 3 and above were such equipment is utilised.</p>	
	<p>The Proposer recommends that this request should be assessed by a Workgroup</p>
	<p>High Impact: Shippers and Transporters</p>
	<p>Medium Impact: None</p>
	<p>Low Impact: None</p>

Contents		 Any questions?
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2 Impacts and Costs	4	 enquiries@gasgovernance.co.uk
3 Terms of Reference	7	 0121 288 2107
4 Recommendation	8	Proposer: Insert name
About this document:		 email address
This document is a Request, which will be presented by the Proposer to the panel on 18 th August 2016.		 telephone
The Panel will consider the Proposer's recommendation, and agree whether this Request should be referred to a Workgroup for review.		Transporter: Insert name
Modification timetable: <i>(amend as appropriate)</i>		 email address.
Initial consideration by Workgroup	25 nd August 2016	 telephone
Workgroup Report presented to Panel	18 th January 2017	Systems Provider: Xoserve
		 commercial.enquiries@xoserve.com
		 telephone
		Additional contacts: Insert name
		 email address.
		 telephone

1 Request

Why is the Request being made?

The rollout of advanced and smart metering in the UK Gas market provides an opportunity for more Granular Consumption Data (Data) to be provided into Central Industry Systems at marginal cost. The benefits of such Data being provided could drive more accurate cost allocation.

The Competition Markets Authority final report specifically mentions the benefits associated more frequent readings being available for settlement

Steve Mulinganie 10/8/16 13:08

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Currently there are no requirements/obligations to provide more frequent meter readings should a Smart/Advanced meter be installed and that this Request is to consider options for the provision of this data on a more frequent basis to support the Settlement process.

We believe it is timely to consider the utilisation of more granular consumption data within central industry processes.

Scope

The workgroup would be asked to consider the merit of requiring that Supply Points with Smart and Advanced metering installed and operational such be required to operate in Class 3 and/or above.

The workgroup would be asked to consider: -

- Benefits from more frequent Data being available including (but not limited to)
 - Back Office Efficiencies
 - Reduced risk of historic and/or large reconciliations
 - Reduced finance costs / credit cover requirements
 - Reduced unidentified Gas
 - Scaling factor volatility
- Other considerations
 - Facilitating market entry
 - CMA outcome
 - Additional granularity to support Demand modelling
 - Electricity market arrangements
 - Impact on Offtake meter errors
 - Identification of eligible Supply Points in Central Systems
 - Timing – post NEXUS plus [X]
 - Post RAASP plus [X]
 - Impact on faster and more reliable switching
 - Performance Assurance Framework
 - Supplier/Shipper tipping points when considering UNC Product Class

Note: When designing NEXUS Class 4 was introduced to ensure the status quo for Supply Points which currently did not have access to smart or advanced metering

Impacts & Costs

The areas that may be impacted are discussed in the Scope section however the provision of more granular consumption data may be expected to deliver benefits in Settlement.

We would note that the NEXUS systems were built to be scalable in line with Smart Metering rollout and we do not envisage material extra cost in relation to central industry systems. For other users we believe the cost of provision of more Granular consumption data to be a matter of marginal cost.

Recommendations

The rollout of advanced and smart metering solutions provides access to consumption granularity at marginal cost. It is important that the efficiencies envisaged to support the cost benefit case for the program are not lost and such benefits are leveraged across the whole market. With the implementation of project NEXUS and the ability to support more granular consumption data we should examine the benefits of ensuring this granularity is not lost in central systems and processes.

It is proposed that this Request is sent to the Distribution Workgroup for consideration and that a Report should be provided by January 2017 Panel

Additional Information

We acknowledge that we are in the process of undertaking a number of significant industry projects however it is clear from the output from the CMA that a direction of travel is being set and the industry needs to demonstrate that it is fully leveraging the benefits of these programs.

2 Impacts and Costs

Consideration of Wider Industry Impacts

We have not identified a specific material negative impact associated with undertaking this review

User Pays	
Classification of the modification as User Pays, or not, and the justification for such classification.	This is a review group
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.	This is a review group
Proposed charge(s) for application of User Pays charges to Shippers.	This is a review group

Proposed charge for inclusion in the Agency Charging Statement (ACS) – to be completed upon receipt of a cost estimate from Xoserve.

This is a review group

Impacts

Impact on Transporters' Systems and Process

Transporters' System/Process	Potential impact
UK Link	<ul style="list-style-type: none"> More frequent consumption data will impact UKLink systems although NEXUS is scoped for scalability against advanced/smart rollout
Operational Processes	<ul style="list-style-type: none"> Managing more Supply Points in Class 3 and above may impact operational processes
User Pays implications	<ul style="list-style-type: none"> TBC

Impact on Users

Area of Users' business	Potential impact
Administrative and operational	<ul style="list-style-type: none"> TBC
Development, capital and operating costs	<ul style="list-style-type: none"> TBC
Contractual risks	<ul style="list-style-type: none"> TBC
Legislative, regulatory and contractual obligations and relationships	<ul style="list-style-type: none"> TBC

Impact on Transporters

Area of Transporters' business	Potential impact
System operation	<ul style="list-style-type: none"> TBC
Development, capital and operating costs	<ul style="list-style-type: none"> TBC
Recovery of costs	<ul style="list-style-type: none"> TBC
Price regulation	<ul style="list-style-type: none"> TBC
Contractual risks	<ul style="list-style-type: none"> TBC
Legislative, regulatory and contractual obligations and relationships	<ul style="list-style-type: none"> TBC
Standards of service	<ul style="list-style-type: none"> TBC

Impact on Code Administration

Area of Code Administration	Potential impact
Modification Rules	<ul style="list-style-type: none"> TBC

Impact on Code Administration	
UNC Committees	<ul style="list-style-type: none"> TBC
General administration	<ul style="list-style-type: none"> TBC

Impact on Code	
Code section	Potential impact
UNC	<ul style="list-style-type: none"> Changes may be required to UNC to give effect to any proposal

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

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"> NA
Gas Transporter Licence	<ul style="list-style-type: none"> NA

Other Impacts	
Item impacted	Potential impact

Security of Supply	• TBC
Operation of the Total System	• TBC
Industry fragmentation	• TBC
Terminal operators, consumers, connected system operators, suppliers, producers and other non code parties	• TBC

3 Terms of Reference

Background

The rollout of advanced and smart metering in the UK Gas market provide an opportunity for more granular consumption data to be provided into Central Industry Systems at marginal cost. The benefits of such consumption data being provided could drive more accurate cost allocation.

We believe it is timely to consider the utilisation of more granular consumption data within central industry processes.

It is suggested that the Workgroup review the Terms of Reference to ensure the topics are prioritised and any relevant areas included in the review.

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 the legal text

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.

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 0XXX progress to Workgroup for review.