

| UNC Workgroup Report  | At what stage is this document in the process?  |
|---|---|
| <h1>UNC 0632S:</h1> <h2>Shipper asset details reconciliation</h2>   | <div style="display: flex; flex-direction: column; gap: 5px;"> <div style="border: 1px solid #ccc; padding: 2px; display: flex; align-items: center; gap: 5px;"> <span style="border: 1px solid #ccc; border-radius: 50%; padding: 2px 5px;">01</span> Modification         </div> <div style="border: 1px solid #ccc; padding: 2px; display: flex; align-items: center; gap: 5px;"> <span style="border: 1px solid #ccc; border-radius: 50%; padding: 2px 5px;">02</span> Workgroup Report         </div> <div style="border: 1px solid #ccc; padding: 2px; display: flex; align-items: center; gap: 5px;"> <span style="border: 1px solid #ccc; border-radius: 50%; padding: 2px 5px;">03</span> Draft Modification Report         </div> <div style="border: 1px solid #ccc; padding: 2px; display: flex; align-items: center; gap: 5px;"> <span style="border: 1px solid #ccc; border-radius: 50%; padding: 2px 5px;">04</span> Final Modification Report         </div> </div> |
| <p><b>Purpose of Modification:</b></p> <p>This modification seeks to improve the asset data held by Xoserve on behalf of industry parties</p> |   |
|   | <p>The Workgroup recommends that this modification should be:</p> <ul style="list-style-type: none"> <li>subject to self-governance</li> <li>assessed by a Workgroup.</li> </ul> <p>The Panel will consider this Workgroup Report on <b>18 January 2018</b>. The Panel will consider the recommendations and determine the appropriate next steps.</p>  |
|    | <p>High Impact:<br/>Shippers</p>  |
|    | <p>Medium Impact:</p>   |
|    | <p>Low Impact:</p>  |

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| Timetable   |                  |
| <b>Modification timetable:</b>                    |                  |
| Initial consideration by Workgroup                | 26 October 2017  |
| Workgroup Report presented to Panel               | 21 December 2017 |
| Draft Modification Report issued for consultation | 21 December 2017 |
| Consultation Close-out for representations        | 12 January 2018  |
| Final Modification Report available for Panel     | 18 January 2018  |
| Modification Panel decision                       | 18 January 2018  |

 Any questions?

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## 1 Summary

### What

Latest BEIS statistics indicate that there are over 2 million gas meters with smart functionality currently installed. The Allocation of Unidentified Gas Expert (AUGE) indicated earlier this year that only 700,000 sites have been registered with Xoserve as having smart meters. Similarly there are less than 1,000 sites registered with Automated Meter Reading (AMR) devices.

### Why

There is a severe under-recording of the presence of Smart Meters or AMR devices at sites. This restricts the AUGE in undertaking a robust assessment of the sources of Unidentified Gas (UG) and also impedes shippers when attempting to understand what meter type is currently installed at the site. It will also make verification of compliance with the CMA requirement for every site with Smart or AMR meters to submit reads monthly, very difficult to verify.

### How

Shippers are obliged to record whether an AMR or Smart Meter is at the site. Xoserve will be required to report within 3 months of the modification being implemented the number of sites in each End User Category (EUC) Band that has either an AMR or Smart Meter installed.

## 2 Governance

### Justification for Self-Governance

Panel determined the modification is unlikely to have a material effect as it simply places an obligation on shippers to update Xoserve with information they already have.

Modification 0632 will therefore follow self-governance procedures.

### Requested Next Steps

This modification should:

- be considered a non-material change and subject to self-governance
- be assessed by a Workgroup

## 3 Why Change?

At present there is no formal obligation on shippers to indicate to notify to the CDSP whether a site has a Smart or AMR device fitted. Such information is crucial for a number of reasons:

- Shipper compliance verification for CMA remedies regarding meter readings. Facilitation of more accurate assessment by the AUGE on whether meter types affect UIG.
- Facilitation of easier identification by shippers as to whether a site has Smart or AMR equipment installed.

This limits a number of industry processes, such as assessment of compliance with industry requirements and constrains activities in the market.

## 4 Code Specific Matters

### Reference Documents

The Energy Market Investigation (Gas Settlement) Order 2016.

### Knowledge/Skills

None

### Insert subheading here

Insert text here

## 5 Solution

Place obligations in the UNC to:

1. Require shippers to record whether a Smart Meter, Advanced Metered or Advanced Domestic Meters as soon as they become aware of the presence of the Smart or AMR meter is present at one of their premises.

There are currently differing levels of obligation in the UNC recorded depending on the type of meter, so we believe there will be a requirement to harmonise the obligations:

- Where a site has a Smart Metering System installed
  - Utilise the gas supplier licence definition to define such meters. This will probably require an amendment to UNC M 1.2.2 as this currently utilises a definition that does not fully capture the current intent.
  - Amend M2.1.13 to require the shipper to notify the CDSP whenever they become aware of the presence of a Smart Metering System, not just at installation.
  - Require the shipper to record whether the site is a SMETS1 or SMETS2 meter, which we believe the CDPS can already capture.
- Where a site has an Advanced Meter installed, UNC M2.1.4 does broadly satisfy the current requirements, but we are including here as part of the modification as we believe there will be some efficiency benefits in clarifying and harmonising the obligations in the UNC, possibly using M2.1.14 as a starting point.
- Where a site has an Advanced Domestic Meter installed it will necessary to develop a new definition, utilising the gas supplier licence definition to define such meters. A new obligation to be developed requiring shippers to notify the CDSP whenever they become aware of the presence of an Advanced Domestic Meter at a site.

2. Xoserve to report within 3 months of implementation the number of Smart Metering Systems, Advanced Meters or Advanced Domestic Meters installed on sites by each EUC band, to allow comparison with BEIS published Smart meter rollout statistics. This report will be an aggregated industry view, setting out the date for which it applies.

For the avoidance of doubt any process for remedying discrepancies between those being reported to BEIS and the CDSP will be up to the PAC to decide.

## 6 Impacts & Other Considerations

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

There is no impact on any other industry change or the SCR.

### Consumer Impacts

No direct consumer impacts identified.

| Consumer Impact Assessment<br><i>(Workgroup assessment of proposer initial view or subsequent information)</i> |   |
|--|---|
| Criteria   | Extent of Impact  |
| Which Consumer groups are affected?  | <p><i>Please consider each group and delete if not applicable.</i></p> <ul style="list-style-type: none"> <li>Domestic Consumers</li> <li>Small non-domestic Consumers</li> <li>Large non-domestic Consumers</li> <li>Very Large Consumers</li> </ul>                   |
| What costs or benefits will pass through to them?  | <p><i>Please explain what costs will ultimately flow through to each Consumer group. If no costs pass through to Consumers, please explain why. Use the General Market Assumptions approved by Panel to express as 'cost per consumer'.</i></p> <p>Insert text here</p> |
| When will these costs/benefits impact upon consumers?  | <p><i>Unless this is 'immediately on implementation', please explain any deferred impact.</i></p> <p>Insert text here</p>   |
| Are there any other Consumer Impacts?  | <p><i>Prompts:</i></p> <p><i>Are there any impacts on switching?</i></p> <p><i>Is the provision of information affected?</i></p> <p><i>Are Product Classes affected?</i></p> <p>Insert text here</p>  |

### Cross Code Impacts

It is unknown at this stage if any impacts on other Codes such as iGT UNC.

### EU Code Impacts

There is no impact on any EU energy code.

### Central Systems Impacts

No Central System impacts identified. However, at present Xoserve can report in a limited fashion on the number of Smart or AMR meters installed at a site. Xoserve may wish to consider whether to amend how this information is collated and recorded.

### Workgroup Impact Assessment

Insert text here

### Rough Order of Magnitude (ROM) Assessment

Is a ROM required, to be requested?

OR

#### Rough Order of Magnitude (ROM) Assessment *(Workgroup assessment of costs)*

|                         |                  |
|-------------------------|------------------|
| Cost estimate from CDSP | Insert text here |
| Insert Subheading here  | Insert text here |

## 7 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<br>(i) the combined pipe-line system, and/ or<br>(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:<br>(i) between relevant shippers;<br>(ii) between relevant suppliers; and/or<br>(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 |
|--|------|

Reliable reporting of the presence of a Smart or AMR meters at a site will improve a number of Code processes, such as compliance with CMA remedies (which is expected to be formally implemented into the UNC), AUG activities and maintenance of industry data. Therefore this modification furthers Relevant Object f) Promotion of efficiency in the implementation and administration of the Code.

## 8 Implementation

No formal implementation timescales are proposed, but the proposer would wish to see the Modification implemented by 01 February 2018?

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.

## 9 Legal Text

No text has been provided.

## 10 Recommendations

### Workgroup’s Recommendation to Panel

The Workgroup asks Panel to agree that:

- This self-governance modification should proceed to consultation.
- This proposal requires further assessment and should be returned to Workgroup.