

**CODE MODIFICATION PROPOSAL No 0258**  
**Facilitating the Use of Remote Meter Reading Equipment for the Purposes of Demand**  
**Estimation Forecasting Techniques.**  
**Version 3.0**

**Date:** 07/09/2009

**Proposed Implementation Date:** September 2009

**Urgency:** Non Urgent

## **1 The Modification Proposal**

### **a) Nature and Purpose of this Proposal**

Uniform Network Code (UNC), Transportation Principle Document (TPD) Section H 1.6 specifies obligations placed on Transporters to obtain data from Supply Meter Points contained within a sample for each LDZ for the purposes of developing End User Categories and Demand Models used in the Demand Estimation process.

UNC TPD Section H sets out two distinct groups for Demand Estimation sampling; Supply Points with an Annual Quantity (AQ) greater than 2,196,000 kWh (75,000 tpa) and Supply Points with an AQ equal to or less than 2,196,000 kWh. The current arrangements for sites with an AQ equal to or less than 2,196,000 kWh fall into a further two categories. The two categories are specified in UNC TPD Section H 1.6.5 (a), which stipulates for all LDZs there should be approximately 3,900 sites data logged of which 2,700 will be subject to Section H 1.6.2 (a) and a further 1,200 which are subject to Section H 1.6.2 (b). UNC TPD Sections H 1.6.2 (a) and H 1.6.2 (b) differ in that paragraph (a) requires data recorders to be fitted and paragraph (b) requires Daily Read Equipment to be installed. UNC TPD Section H 1.6.3 (a) defines a data recorder as “a device which captures Meter Readings at the start of each Day, but is capable of being read only at the Supply Point premises”.

Currently, the Section H 1.6.3 definition of a data recorder would rule out the installation of Daily Read Equipment on the 2700 (approximate figure) sites referred to in Section H 1.6.5 (a), which are subject to paragraph 1.6.2 (a), with an  $AQ \leq 2,196,000$  kWh. The definition of Daily Read Equipment is detailed in Section M 4.1.1 of the UNC TPD and permits the capture of data remotely. The data recorder definition rules out the use of meter reading equipment which is capable of being read remotely.

There is a further definition of “Remote Meter Reading Equipment” which is defined in UNC TPD Section M 1.4.3 (j) as:

“Remote Meter Reading Equipment is equipment which enables Meter Readings to be obtained remotely at set intervals and which comprises a device for capturing from the Supply Meter and/or (where installed) a converter, data which constitutes or permits a derivation of a Meter Reading

and suitable equipment as shall be required for transmitting such data.”

As the current definition of Daily Read Equipment, specified in UNC TPD Section M 4.1.1 is focused on the purposes of Section M the proposer suggests it would be correct to replace the use of the Daily Read Equipment definition with that of the Remote Meter Reading Equipment definition in H 1.6.2 (b), 1.6.3 (b) and 1.6.9 (b) but with the associated protection offered to Daily Read Equipment as detailed in UNC TPD Sections M4.1.9, 4.1.10, and 4.1.11 for UNC TPD Section H purposes only.

xoserve, acting on behalf of the Transporters is considering methods to improve the data quality currently captured for the group of sites with an  $AQ \leq 2,196,000$  kWh. The Transporters have historically installed data recorders at smaller sites in this category as opposed to Daily Read Equipment or Remote Meter Reading Equipment which in turn has provided data which is collated and communicated to xoserve for analysis at regular intervals. Where data recorders have malfunctioned or in instances where Supply Point premises have been vacated the subsequent data unavailability is not realised until the data recorder is visited by xoserve’s contractor, sometimes months after the data stream is terminated. Reducing the level of such data losses could improve the quality of the Demand Estimation models.

It is the intention of this Modification to extend the option of installing Remote Meter Reading Equipment to all Demand Estimation sample sites with an  $AQ \leq 2,196,000$  kWh which in the proposer’s view would:

- Reduce the occurrence of data loss from recorders malfunctioning.
- Improve the quantity and quality of data available for demand estimation purposes.

It is also the intention of this proposal to replace the definition of Daily Read Equipment for sites  $>2,196,000$  kWh with Remote Meter Reading Equipment in UNC TPD Section H 1.6.2 (b).

**b) Justification for Urgency and recommendation on the procedure and timetable to be followed (if applicable)**

N/A

**c) Recommendation on whether this Proposal should proceed to the review procedures, the Development Phase, the Consultation Phase or be referred to a Workstream for discussion.**

It is the proposer’s intention that this Modification proposal should proceed directly to the Consultation Phase.

**2 User Pays**

**a) Classification of the Proposal as User Pays or not and justification for**

**classification**

Classified as **not** User Pays. Any costs associated with procuring new Remote Meter Reading Equipment for NDM sampling purposes will be met by Transporters. Transporters are obligated to carry out this service and are funded centrally. There have been no further additional costs identified with the implementation of this Modification which would justify its designation as a User Pays Modification.

**b) Identification of Users, proposed split of the recovery between Gas Transporters and Users for User Pays costs and justification**

N/A

**c) Proposed charge(s) for application of Users Pays charges to Shippers**

N/A.

**d) Proposed charge for inclusion in ACS – to be completed upon receipt of cost estimate from xoserve**

N/A.

**3 Extent to which implementation of this Modification Proposal would better facilitate the achievement (for the purposes of each Transporter’s Licence) of the Relevant Objectives**

*Standard Special Condition A11 (1)*

*(d) so far as is consistent with sub-paragraphs (a) to (c) the securing of effective competition:*

*(i) between relevant shippers;*

By allowing Remote Meter Reading Equipment to be installed on Demand Estimation sites there would be an improvement in the quality of the Demand Estimation algorithms associated with the collection of sampled demand data leading to increased accuracy in demand allocation volumes.

*(f) so far as is consistent with sub-paragraphs (a) to (e), the promotion*

*of efficiency in the implementation and administration of the*

*network code and/or the uniform network code;*

This Modification Proposal removes the definition of Daily Read Equipment from UNC TPD section “H” replacing it with Remote Meter Reading Equipment. It is the proposer’s view that confining the definition of Daily Read Equipment to UNC TPD sections “G” and “M” clarifies the specific areas within the code where the two definitions should be used.

**4      The implications of implementing this Modification Proposal on security of supply, operation of the Total System and industry fragmentation**

This Modification Proposal would increase the optionality around how Transporters collect Supply Point data for Demand Estimation purposes. The ability to utilise Remote Meter Reading Equipment for all Demand Estimation Supply Points would further enhance the quantity and quality of data collected by allowing early recognition of faulty equipment and also where Supply Point premises have become vacant.

**5      The implications for Transporters and each Transporter of implementing this Modification Proposal, including:**

**a)      The implications for operation of the System:**

None identified.

**b)      The development and capital cost and operating cost implications:**

No additional costs associated with the implementation of this Modification Proposal have been identified.

**c)      Whether it is appropriate to recover all or any of the costs and, if so, a proposal for the most appropriate way for these costs to be recovered:**

N/A

**d)      The consequence (if any) on the level of contractual risk of each Transporter under the Uniform Network Code of the Individual Network Codes proposed to be modified by this Modification Proposal**

None identified.

**6      The extent to which the implementation is required to enable each Transporter to facilitate compliance with a safety notice from the Health and Safety Executive pursuant to Standard Condition A11 (14) (Transporters Only)**

None identified.

**7      The development implications and other implications for the UK Link System of the Transporter, related computer systems of each Transporter and related computer systems of Users**

None identified.

**8      The implications for Users of implementing the Modification Proposal, including:**

**a)      The administrative and operational implications (including impact upon manual processes and procedures)**

None identified.

**b) The development and capital cost and operating cost implications**

None identified.

**c) The consequence (if any) on the level of contractual risk of Users under the Uniform Network Code of the Individual Network Codes proposed to be modified by this Modification Proposal**

Improved data collection methods leading to a fuller sample would lead to an overall increase in confidence in the Non Daily Metered allocation regime.

**9 The implications of the implementation for other relevant persons (including, but without limitation, Users, Connected System Operators, Consumers, Terminal Operators, Storage Operators, Suppliers and producers and, to the extent not so otherwise addressed, any Non-Code Party)**

None identified.

**10 Consequences on the legislative and regulatory obligations and contractual relationships of the Transporters**

None identified.

**11 Analysis of any advantages or disadvantages of implementation of the Modification Proposal not otherwise identified in paragraphs 2 to 10 above**

**Advantages**

No further advantages have been identified.

**Disadvantages**

None identified.

**12 Summary of representations received as a result of consultation by the Proposer (to the extent that the import of those representations are not reflected elsewhere in this Proposal)**

No such consultation has been issued.

**13 Detail of all other representations received and considered by the Proposer**

No such representations have been received.

**14 Any other matter the Proposer considers needs to be addressed**

No other matters identified.

**15 Recommendations on the time scale for the implementation of the whole or any part of this Modification Proposal**

It is recommended that this Modification Proposal, if approved, would be implemented at 6am, the day after the Authority's decision.

**16 Comments on Suggested Text**

None.

**17 Suggested Text**

None.

**Code Concerned, sections and paragraphs**

Uniform Network Code

Transportation Principal Document

**Section(s)** H1.6

**Proposer's Representative**

Bali Dohel SGN

**Proposer**

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