

UNC Modification

At what stage is this document in the process?

UNC 0632:

Shipper asset details reconciliation

01

Modification

02

Workgroup Report

03

Draft Modification Report

04

Final Modification Report

Purpose of Modification:

This modification seeks to improve the asset data held by Xoserve on behalf of industry parties



The Proposer recommends that this modification should be:

- subject to self-governance
- assessed by a Workgroup

This modification will be presented by the Proposer to the Panel on **19 October 2017**. The Panel will consider the Proposer's recommendation and determine the appropriate route.



High Impact:
Shippers



Medium Impact:



Low Impact:

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Contents

1	Summary	3
2	Governance	3
3	Why Change?	3
4	Code Specific Matters	4
5	Solution	4
6	Impacts & Other Considerations	4
7	Relevant Objectives	5
8	Implementation	6
9	Legal Text	6
10	Recommendations	6

Timetable

The Proposer recommends the following timetable:

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

This modification is not material as it simply places an obligation on shippers to update Xoserve with information they already have.

This modification is not suitable for pre-modification discussion as the information will need to be collated in time for use by the AUGE in determining the AUGE statement for gas year 2018/2019.

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 AUGÉ 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

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.

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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:

- o Where a site has a Smart Metering System installed

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- 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.

- o 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.

- o 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.

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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

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comparison with BEIS published Smart meter rollout statistics. This report will be an aggregated industry view, setting out the date for which it applies.

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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.

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.

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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 <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.	None
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

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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.

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9 Legal Text

No text has been provided.

10 Recommendations

Proposer's Recommendation to Panel

Panel is asked to:

- Agree that self-governance procedures should apply
- Refer this proposal to a Workgroup for assessment.

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