

UNC Workgroup Report	At what stage is this document in the process?
<h1>UNC 0692S:</h1> <h2>Automatic updates to Meter Read Frequency</h2>	<div style="display: flex; flex-direction: column; gap: 5px;"> <div style="border: 1px solid #ccc; border-radius: 5px; padding: 5px; width: 100%;">01 Modification</div> <div style="border: 1px solid #ccc; border-radius: 5px; padding: 5px; width: 100%; background-color: #0070c0; color: white;">02 Workgroup Report</div> <div style="border: 1px solid #ccc; border-radius: 5px; padding: 5px; width: 100%; background-color: #d9ead3;">03 Draft Modification Report</div> <div style="border: 1px solid #ccc; border-radius: 5px; padding: 5px; width: 100%; background-color: #f4cccc;">04 Final Modification Report</div> </div>
<p>Purpose of Modification:</p> <p>To place an obligation on the CDSP to automatically update the Meter Read Frequency of a Class 3 or 4 Supply Meter Point to Monthly, if:</p> <ul style="list-style-type: none"> a) The AQ increases to 293,000 kWh or above; or b) The Supply Point Register is updated to show that either Smart or Advanced metering equipment is in place. <p>In addition to undertake a one-off exercise to update the Meter Read Frequency of all current registered Supply Meter Points to Monthly, where they meet at least one of the two criteria above.</p>	
	<p>The Workgroup recommends that this modification should be subject to self-governance</p> <p>The Panel will consider this Workgroup Report on 21 November 2019. The Panel will consider the recommendations and determine the appropriate next steps.</p>
	<p>High Impact: None</p>
	<p>Medium Impact: CDSP, Shippers</p>
	<p>Low Impact: Gas Transporters</p>

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Timetable		
Modification timetable:		
Initial consideration by Distribution Workgroup	22 May 2019	
Workgroup Report presented to Panel	21 November 2019	
Draft Modification Report issued for consultation	21 November 2019	
Consultation Close-out for representations	11 December 2019	
Final Modification Report available for Panel	12 December 2019	
Modification Panel decision	19 December 2019 (at short notice)	

 Any questions?

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1 Summary

What

Following the implementation of UNC Modification 0638V (Mandate monthly read submission for Smart and AMR sites from 01 April 2018) there is now a UNC obligation for all sites with Smart or Advanced metering to be read monthly, regardless of AQ. The update of the meter read frequency on the Supply Point Register is currently the responsibility of the Shipper but 12 months after the implementation of UNC Modification 0638V a significant number of Smart and Advanced meter points still have a lower read frequency (6-monthly or annual).

In addition, some meter points with a Rolling AQ equal to or greater than 293,000 kWh also have a non-monthly read frequency and should be Monthly read in accordance with the UNC.

For the avoidance of doubt must read requirements are at the discretion of the Transporter and Total Gas & Power are not looking to change this in the modification. It is therefore not anticipated that this change would increase must reads.

To confirm it is the view that this should not be considered as a change of classification as referred to in G1.6.15. Therefore, the periods mentioned in this section do not apply, this should be reviewed for ensuring the legal text is correct.

Why

Although all sites with a Rolling AQ equal to or greater than 293,000 kWh (UNC M5.9.1 (b)) and/or Smart or Advanced metering (UNC M5.9.1 (d)) should have a monthly read frequency, this is not always reflected on the Supply Point Register.

A summary of the count and Rolling AQ of meters points with a Meter Read Frequency other than Monthly as at February 2019 (Class 3 and 4 sites only) is set out below.

Non-Monthly Read Frequency	Number	Aggregate AQ
AQ ≥ 293,000 kWh	2,000	1.7 TWh
Smart meter	7,038,000	92.7 TWh
AMR Equipment	191,000	11.5 TWh
Total	7,231,00	105.9 TWh

Further breakdown on the meter classifications based on data at the end of June 2019:

SMP Count	AMR Indicator	Meter Mechanism	Installing Supplier = to Registered Supplier
205,201	Y	N/A	N/A
544,333		S2	N/A
4,964,704		S1	Y
12,482		NS	Y
1,426,453		S1	N
770,925		NS	N

	% SMPs with no accepted read over 1 month	% SMPs with no accepted read over 3 months
Smart Equipment	23.51%	13.08%
AQ > 293,000kWh	14.44%	8.03%

The Unidentified Gas (UIG) Task Force (as established under UNC Modification 0658) has identified that low rates of meter read performance can be a significant contributing factor to UIG. The incorrect Meter Read Frequency could be contributing to lower read submission levels (because the Shipper is not receiving any notifications of overdue readings until either 6 or 12 months have elapsed).

The sites which are overdue for a meter reading could have an inaccurate AQ, which will result in inaccurate daily gas allocations (Class 3 and 4 sites only). The above total AQ represents around 20% of total LDZ throughput. For instance, if the AQs of these sites are understated by, say, 2% on average, this would be contributing 0.4% of total throughput to UIG.

For very large sites which are approaching the Class 1 threshold but are not Monthly Read, this will mean that Rolling AQ calculations could be less frequent, so that it will take many more months to meet the UNC G1.6.15 triggers for re-confirmation as Class 1.

This change was one of the UIG Task Force’s proposed options to address UIG Issue 3.2.1 and was well-supported at the UIG Workgroup in January when it was first discussed.

Many Shippers may already be reading these meters on their portfolio on a monthly frequency and may be experiencing read rejections as a result of the incorrect meter point attributes.

How

This Modification proposes that the CDSP should be given the authority to make changes to the Meter Read Frequency in the following circumstances:

- a) Where the Rolling AQ of a meter point increases to 293,000 kWh or above, the Meter Read Frequency should be amended to Monthly (if not already set to that value) with effect from the effective date of the new AQ.
- b) Where the Supply Point Register is updated to show that the meter point has either a Smart meter or Automated Meter Reading Equipment fitted, the Meter Read Frequency should be amended to Monthly (if not already set to that value) with immediate effect.

For the avoidance of doubt, this Modification does not propose any changes to the Meter Read Frequency when the Rolling AQ drops below the qualifying threshold or if the Supply Point Register is updated to show that Smart/AMR equipment has been removed. It would be up to the discretion of the Shipper to amend the Meter Read Frequency in those circumstances as is the current situation. No period between breaching the threshold and the CDSP updating is given to ensure reads start to flow monthly as soon as possible and to ensure consistency across the industry.

Smart metering classification will be assisted in the long term by the DCC flag in Xoserve systems which will in time allow the best classification. This flag is not yet fully operational so additional rule will also be included within the solution.

2 Governance

Justification for Self-Governance

This Modification is recommended for self-governance procedures, on the basis that it is a minor change to industry governance and unlikely to have an impact on end consumers. This change would help Shippers by making updates to the Meter Read Frequency to make them compliant with UNC.

There should be little or no impact to end consumers: in all cases their Shipper should already be reading their meter every month, and for the majority of these sites the Shipper has a remote reading capability. This should not cause any additional inconvenience or disturbance to end consumers but will require Shippers to make the process changes envisaged by UNC Modification 0638V.

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?

The current arrangements whereby the Meter Read Frequency must be updated by the Shipper have resulted in a large number of sites having incorrect UNC read frequencies, when compared to the Rolling AQ or recorded equipment. As at February 2019 the Supply Point Register showed over 7 million meter points that should be monthly read but were in fact 6-monthly or annually read.

This has led to lower meter read submission rates. In particular, for sites with Smart or AMR equipment on site, as of February 2019, over 900,000 sites (with a combined AQ of over 11 TWh) had not had a meter reading for over 3 months. If these sites had all been set to monthly read frequency, the Shipper would have been receiving pre-Notifications of overdue readings, which could have prompted them to obtain a reading.

Whilst the exact impact on UIG cannot be assessed, as the actual monthly readings are not visible to the industry, and the extent of any AQ errors is unknown, this contributes to risk in daily gas allocation, and delays to meter point reconciliation, which in turn prolongs the uncertainty around final UIG levels.

More proactive measures are required to address these inconsistencies between the [Rolling](#) AQ, and equipment and the Meter Read Frequency recorded on the Supply Point Register. As the general premise of UNC is that Shippers are responsible for data quality, a UNC Code Mod is required to give the CDSP authority to change this data item. A more active role for the CDSP would bring the Meter Read Frequency into line with the AQ and/or equipment on site, which in turn would improve meter read submission rates, due to the provision of better information to Shippers about overdue meter readings.

There are reports generated by Xoserve for the Transporters on what sites need must reads, these will need to be reviewed to ensure that they continue to meet the individual requirements of each Transporter.

For the classification of Smart meters, initially there will be a four stage process to assess if a meter is Smart and should be included within scope of this change. The intention is that in a number of years when the DCC have enrolled SMETS1 Meters, that the second and third check can be stopped.

1. Use of the DCC flag: If the DCC flag is recorded as 'active' within UK Link then it will be determined for the purpose of this change that the meter is Smart. If not, for the purpose of this change, the meter will be considered dumb and the second check is conducted. Please note, for SMETS2 meters, these should be enrolled with the DCC already and therefore are able to set the DCC flag in UK Link as 'active'. The intention is for this to be fully rolled out for SMETS1 as well in the future.
2. If the meter does not have an 'active' DCC flag recorded within UK Link and is a SMETS1 meter, a check is done between the effective [Supplier] and the installing [Supplier]. If these [Suppliers] are the same, the meter will be considered as smart and in scope of this change. If the [Suppliers] are not the same, the meter will be considered dumb and out of scope of this change.
3. If the meter does not have an 'active' DCC flag recorded within UK Link and is a SMETS2 meter it will be considered to be smart
4. If the meter has a Device Type of AMR the meter will be considered smart

Over time more and more meters should be enrolled within the DCC estate and therefore the 'active' DCC flag should be recorded within UK Link and it should be expected that only the DCC flag check would be required.

For the avoidance of doubt as part of the solution implementation, the CDSP will do a one-off exercise to identify all existing sites with incorrect non-Monthly Meter Reading Frequencies and amend the frequency to Monthly:

- a) Where a meter point has a Rolling AQ equal to or above 293,000 kWh.
- b) Where the Supply Point Register shows that the meter point has either a Smart meter or Automated Meter Reading Equipment fitted.

4 Code Specific Matters

Reference Documents

[Presentation - Introduction to Automatic Updates to Meter Read Frequency](#)

[UNC TPD Section M \(Supply Point Metering\)](#)

Knowledge/Skills

Understanding of the UNC obligations around the setting of the Meter Read Frequency would be helpful.

5 Solution

This Modification proposes that the CDSP should be given the authority to make changes to the Meter Read Frequency in the following circumstances:

- a) Where the Rolling AQ of a meter point increases to, or is already at, 293,000 kWh or above, the Meter Read Frequency should be amended to Monthly, (if not already set to that value), with effect from the effective date of the new AQ or if already at or above 293,000kWh, as soon as reasonably practical.
- b) Where the Supply Point Register indicates that the meter point has either a Smart meter or Automated Meter Reading Equipment fitted, the Meter Read Frequency should be amended to Monthly (if not already set to that value).

6 Impacts & Other Considerations

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

No.

Consumer Impacts

This change should not impact end consumers, and while it was noted that Shippers would be required to obtain more frequent reads from premises where SMART meters are installed, the view was that, where the monthly read requirement applied, the supply agreement with the customer should provide for a level of read frequency that meets the requirements of the proposal.

Cross Code Impacts

A parallel iGT modification has been raised, (IGT MOD 131), to ensure consistency across all networks.

EU Code Impacts

None

Central Systems Impacts

CDSP systems will need to be changed to identify sites in both scenarios, to apply the required changes, and to notify the relevant Shipper of the changes that have been made. Therefore, the modification implementation date should align with the CDSP solution delivery.

The effect of the change would be to trigger reattribution of the MRF based on a revision to the AQ, for example, either the result of a relevant meter read or due to a successful AQ correction.

Further information is available at [Xoserve: XRN 4941 - Auto-updates to Meter Read Frequency](#)

Workgroup Impact Assessment

The Workgroup has been meeting since May and in that time has reviewed and suggested revisions to the business rules which are now finalised and included in this report.

The principle points of discussion centred on:

- The precise AQ triggers for conversion of a meter point to monthly read.
- Successive refinement of the logic used to determine the population of meter points that would be captured by this proposal by virtue of having either a qualifying smart meter or a meter with AMR installed.

There was some further discussion at the final Workgroup meeting regarding the treatment of Non-SMETS (NS) and SMETS 1 (S1) meters where the supplier has changed after the installation date and the meter has not been enrolled with the DCC. The detail in the proposal stipulates that these meters should not have their meter read frequency amended and, consequently, should be excluded from the new and amended provisions set out in paragraph 5.9.1. For clarity, and to ensure this conditionality is documented, it is proposed that the terms of the exclusion are recorded in the relevant DSC Service Line.

- Confirmation that the resulting increased population of monthly read meters would not significantly affect the number of must-read requests being issued to transporters.
- Refining the method of deployment: a one-off initial identification to pick up meter already meeting the criteria followed by further periodic selection of qualifying meters and amendment to their meter read frequency.

The Workgroup agreed with the principle rationale for the proposal, that by increasing the volume of reads, and hence increasing the number of AQ recalculations and reconciliations, this should generally increase the accuracy of the settlement processes. As a consequence, this should reduce the level of inherent, financial risk associated with these processes for portfolio shippers.

The Workgroup is now of the opinion that the proposal is sufficiently developed and is now ready for consultation.

Rough Order of Magnitude (ROM) Assessment

The estimated cost of the changes detailed above is between £20,000 & £30,000

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 (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: (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.	Positive
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.	None
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

Securing of effective competition: Correct meter read frequencies will promote higher rates of meter read submission and more accurate AQs, and thus more accurate gas allocation and reconciliation, which will promote competition by reducing the barrier to entry that is currently being created by the high, unexplained levels of Unidentified Gas (UIG).

There was a high degree of consensus at the Workgroup in support of this statement.

8 Implementation

The Change Proposal is planned to be implemented as part of the June 2020 release.

9 Legal Text

Legal Text has been provided by Cadent Ltd and is included in this report. The Workgroup has considered the Legal Text and is satisfied that it meets the intent of the Solution.

Text Commentary

Notes:

This table is based on the legal text for Modification 0692S included in this report.

TPD SECTION M – SUPPLY POINT METERING	Topic	Explanation
New paragraph 5.9.1(b)(iii)	Cyclic Reading: Class 4, Smart or Advanced Supply Meters	This new paragraph makes clear that the Meter Read Frequency for Smart Meters and Advanced Meters is monthly.
Amend paragraph 5.9.1(c)	Cyclic Reading: Class 4, Smart or Advanced Supply Meters	This paragraph has been amended to remove the reference to Smart Meters and Advanced Meters as the Meter Read Frequency for these meters will always be monthly and not annually.
Delete existing paragraph 5.9.1(d) and replace	Cyclic Reading: Class 4, Smart or Advanced Supply Meters	<p>The existing clause 5.9.1(d) has been deleted as it is no longer necessary following the addition of 5.9.1(b)(iii), which makes clear that Smart and Advanced Meters will always have a monthly Meter Read Frequency.</p> <p>The new paragraph 5.9.1(d) provides authority for the CDSP to change the Meter Read Frequency to monthly where this has not already been done by the Relevant Shipper where the Annual Quantity of a Supply Point is 293,000kWh or above and where a Smart Meter or Advanced Meter has been fitted.</p>

Text

TRANSPORTATION PRINCIPAL DOCUMENT

SECTION M – SUPPLY POINT METERING

Insert new paragraph 5.9.1(b) (iii)

5.9.1

(b)

(iii) the Supply Point Register indicates that a Smart Meter or Advanced Meter has been fitted.

Amend paragraph 5.9.1(c) as follows:

5.9.1

(c) the Meter Read Frequency of a Class 4 Supply Meter other than a Monthly Read Meter is annual (an **“Annual Read Meter”**)

Delete existing paragraph 5.9.1(d) and replace with the following:

5.9.1

(d) Where this has not already been done by the Relevant Shipper, the CDSP has the authority to amend the Meter Read Frequency to Monthly in accordance with 5.9.1 (b) (i) and (iii), to take effect as soon as reasonably practicable or from the effective date of the new Annual Quantity as appropriate.

10 Recommendations

Workgroup’s Recommendation to Panel

The Workgroup asks Panel to agree that this self-governance modification should proceed to consultation.