

UNC Final Modification 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; padding: 5px; 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: 5px; 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: 5px; 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: 5px; 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>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"> <li>a) The AQ increases to 293,000 kWh or above; or</li> <li>b) The Supply Point Register is updated to show that either Smart or Advanced metering equipment is in place.</li> </ul> <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 Panel determined that this self-governance modification be implemented</p>
	<p>High Impact: None</p>
	<p>Medium Impact: CDSP, Shippers</p>
	<p>Low Impact: Gas Transporters</p>

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<b>Modification timetable:</b>		
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	12 December 2019	
Final Modification Report available for Panel	13 December 2019	
Modification Panel decision	19 December 2019 ( <i>at short notice</i> )	

 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
<b>AQ ≥ 293,000 kWh</b>	<b>2,000</b>	<b>1.7 TWh</b>
<b>Smart meter</b>	<b>7,038,000</b>	<b>92.7 TWh</b>
<b>AMR Equipment</b>	<b>191,000</b>	<b>11.5 TWh</b>
<b>Total</b>	<b>7,231,00</b>	<b>105.9 TWh</b>

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
<b>Smart Equipment</b>	23.51%	13.08%
<b>AQ &gt; 293,000kWh</b>	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 Consultation**

Panel invited representations from interested parties on 21 November 2019. The summaries in the following table are provided for reference on a reasonable endeavours’ basis only. It is recommended that all representations are read in full when considering this Report. Representations are published alongside this Final Modification Report.

Of the 10 representations received 7 supported implementation, 1 offered qualified support, 1 provided comments and 1 was not in support.

Representations were received from the following parties:

Organisation	Response	Relevant Objectives	Key Points
Cadent	Support	d) - positive	<ul style="list-style-type: none"> <li>Believes the modification, if implemented would give the CDSP the authority to amend the Meter Read Frequency for Supply Points with Smart or AMR equipment or where the Annual Quantity is equal to or greater than 293,000kWh to Monthly. This is necessary due to a large number of Supply Points continuing to have an incorrect Read Frequency.</li> <li>Is of the opinion that the proposed change could allow for more Meter Readings being submitted which may assist in a reduction of UIG.</li> </ul>

			<ul style="list-style-type: none"> <li>• Notes that implementation of the modification is required to align with the associated DSC Change Proposals XRN4941 and XRN5036, in order to ensure that there is no change to the numbers of ‘must reads’ which Transporters carry out on behalf of Shippers.</li> <li>• Points out that parties do not yet have visibility of the costs of XRN5036 which will require Xoserve system changes and for which Transporters are liable for. Cadent would though expect to recover these costs by amending its ‘must read’ charges.</li> <li>• Believes that the legal text meets the intent of the modification.</li> </ul>
Centrica	Oppose	d) - none	<ul style="list-style-type: none"> <li>• In opposing implementation Centrica suggests that the benefits proposed by this modification would derive from better aligned Meter Read Frequencies (MRF)s allowing better information to be sent to Shippers about overdue meter readings and hence better read submission rates.</li> <li>• Believes that a reporting solution would deliver a better outcome than a code change. All smart meters are required under the current code (the existing 5.9.1(d)) to provide a read once a month, which is the crucial requirement that drives the benefit of up to date AQs (and hence reduced impact on UIG).</li> <li>• In noting that while having the MRF correctly set to monthly by Xoserve will have the minor benefit of allowing even more frequent reads (e.g. weekly), believes that this change will provide no additional motivation for shippers that are not delivering monthly smart reads in Product Class 4 today. Furthermore, believes that this change removes the “all reasonable steps” qualifier to providing smart reads once per month, which had the intent of covering off unresolvable communication issues with smart meters e.g. where SMETS1 meters may lose smart capability on change of supplier. While this nuance is captured in the proposed business rules, Centrica feel the proposed legal text introduces an additional and undue code compliance risk.</li> <li>• Is supportive of self-governance status.</li> <li>• Notes that it is necessary to develop and implement system changes to receive and process MRF changes, therefore a minimum of 6 months would be required for implementation.</li> <li>• Suggests that costs will be incurred to develop the required system changes.</li> </ul>
EDF Energy	Comments	d) - none	<ul style="list-style-type: none"> <li>• Whilst supporting the proposal to grant the CDSP the authority to automatically update the meter reading</li> </ul>

			<p>frequency of both Automated Meter Reading (AMR) meters and supply meter points where AQ increases to 293,000 kWh or above, notes that if smart meters are to be included within the scope of this modification, and a mechanism for CDSP to effectively identify non-communicating smart meters prior to updating meter reading frequencies cannot be found, suppliers must have the ability to restore meter reading frequencies to annual in order to account for non-communicating smart meters.</p> <ul style="list-style-type: none"> <li>• Agrees that low rates of meter read performance can be a significant contributing factor to Unidentified Gas (UIG) as identified by the UIG Task Force (as established under UNC modification 0658).</li> <li>• Also agrees with the proposal to exclude 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 Data Communications Company (DCC). However, the proposed solution as set out in the modification report does not account for the wider array of issues relating to the functionality and connectivity of smart meters, or how these would be considered by the Central Data Services Provider (CDSP) when automatically updating meter read frequencies.</li> <li>• Within the smart meter classification process outlined in the modification report it is proposed that 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. This proposal fails to consider the possibility that a SMETS2 meter may be installed but not communicating for the reasons outlined in more detail within the representation itself.</li> <li>• Believes that in the longer-term the use of the DCC Service Flag may enable the CDSP to effectively identify smart meters that are not operating as 'smart', however there are currently limitations to this process that mean it is not a viable solution at present. There are several issues related to the functionality of the DCC Service Flag held in the gas and electricity registration systems, these issues are the subject of proposed SEC modification MP077. Some of the specific issues that have been identified are again outlined in more detail within the representation itself.</li> <li>• Goes on to suggest that until a mechanism that enables the CDSP to effectively identify smart meters that are not functioning as 'smart' is found, the CDSP should not be granted the authority to automatically update the meter read frequency to monthly which could impose obligations on</li> </ul>
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			<p>suppliers that they cannot meet.</p> <ul style="list-style-type: none"> <li>• Supportive of self-governance status.</li> <li>• Is of the opinion that implementation should be delayed until the outstanding change proposal to DCC flagging has concluded and a solution has been implemented. Alternatively, implementation should be delayed until a mechanism that enables CDSP to exclude sites from automatic updates to reading frequency where there are issues with smart metering equipment has been implemented.</li> <li>• Concludes that the modification does not consider any mechanism for the CDSP to identify smart meters that are not functioning as 'smart' due to the issues discussed above, and that while the proposed DCC Service Flagging may present a long-term solution to this, in its current form it does not provide a reliable mechanism by which to identify supply points where active smart meters are installed.</li> </ul>
E.ON	Qualified Support	d) - positive	<ul style="list-style-type: none"> <li>• Whilst supportive of the principle of enabling the CDSP to have the ability to update Meter Read Frequencies under the criteria set out within this modification, E.ON is not supportive of the proposed implementation date on the grounds that they do not believe that timings for the Shipper data cleanse activity have been factored in to deliver without it triggering CDSP activity.</li> <li>• Additionally, E.ON believe Shippers will need to develop systemised capabilities to receive MRF changes and amend system processing to ensure read processing adheres to any changes made to MRF's. With likely system changes required to deliver this it would ideally have 6 months implementation - notes that it has provided feedback reflective of these comments to XRN 4941 which closed on 02/12/2019.</li> <li>• Supports self-governance status.</li> <li>• Points out that E.ON's qualified support is based on the implementation date rather than the solution proposed, and that it supports a 6-month lead time and based on modification and XRN approval timelines. It would not meet June 2020 release and therefore E.ON propose November 2020 instead (also covered in our response to Comms 2489.11).</li> <li>• Observes that there will be costs associated to the system changes for the data cleanse as well as the further changes outlined within the associated XRN.</li> </ul>

Gazprom Energy	Support	d) – no clear view	<ul style="list-style-type: none"> <li>• Supports the proposal as it ensures the Meter Read Frequency is set correctly.</li> <li>• Points out that during the development of the proposals Gazprom felt that the automatic change of Meter Read Frequency should be reciprocal (i.e. not only should it update when the AQ goes above 293,000 kWh it should also change automatically in the event that the AQ falls below 293,000 kWh).</li> <li>• Supportive of self-governance status.</li> <li>• Points out that Gazprom has not identified any significant costs associated with the implementation of the modification, and notes that a June 2020 release is reasonable.</li> </ul>
Northern Gas Networks	Support	d) – no view provided	<ul style="list-style-type: none"> <li>• Supports the proposal as NGN believes that it should further Relevant Objective d) The securing of effective competition between relevant Shippers as changing the Meter Read Frequency from ‘monthly’ to ‘Monthly’ for relevant sites that are Smart or have a larger Annual Quantity (AQ) should result in higher volumes of meter read submissions, and that this should aid with reducing Unidentified Gas (UiG) and improving competition amongst Shippers.</li> <li>• Supports self-governance status in the belief that giving the Central Data Services Provider (CDSP) the authority to correct Meter Read Frequencies to Monthly in specific circumstances will not be of material impact.</li> <li>• Believes that implementation of the proposal should be aligned with associated CDSP Change Orders XRN4941 Auto Updates to Meter Read Frequency, and XRN5036 Updates to the Must Reads Process, which should deliver the required central systems changes.</li> <li>• Notes that as part of associated CDSP Change Order XRN5036, Updates to the Must Reads Process, Distribution Networks (DNs) are required to fund the development of the amended trigger criteria regarding Must Reads to ensure that only appropriate sites are reported to DNs. Should an AQ threshold not also be included in the XRN solution, there could be a large increase in the number of Must Reads, which would likely result in large cost and resource implications for DNs.</li> <li>• Believes that the legal text should deliver the solution as set out in the proposal.</li> </ul>
SGN	Support	d) - positive	<ul style="list-style-type: none"> <li>• Points out that it is supportive of any proposal to help tackle</li> </ul>

			<p>the issue of Unidentified Gas.</p> <ul style="list-style-type: none"> <li>• Notes that following the implementation of UNC Modification 0638V, all sites with a Rolling AQ equal to or greater than 293,000 kWh and/or Smart or Advanced metering should have a monthly read frequency. However, there continues to be a significant percentage of these sites that are failing to meet this obligation. For example, the percentage of SMPs with no accepted read over 3 months is 13.08% for sites with Smart equipment, and 8.03% for sites with an AQ greater than 293,000kWh. In 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.</li> <li>• Observes that 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 – SGN feels that this modification will help address this issue, and therefore they fully support the modification.</li> <li>• Supportive of self-governance status for the modification and recommends that implementation is as soon as reasonably practicable, whilst noting that implementation should be sixteen business days after any Modification Panel decision to implement.</li> <li>• Has not identified any costs or system development requirements.</li> </ul>
Southern Electric Gas Ltd	Support	d) - positive	<ul style="list-style-type: none"> <li>• Supports this change for the CDSP to automatically update meter read frequencies when the relevant criteria are met, noting that corrected read frequencies may improve read submission and in turn have associated positive impacts on UIG, reduction in AQ errors etc.</li> <li>• Supportive of both self-governance status and the proposed target implementation date of June 2020.</li> <li>• Does not anticipate any additional impacts or costs.</li> </ul>
Total Gas & Power	Support	d) - positive	<ul style="list-style-type: none"> <li>• Believes that the modification will be beneficial to the industry and ensures that sites will be assessed against the correct expectations. It was highlighted by the UIG task force that meter read submission is nowhere near the level expected under code. In addition, that there are too many meters not registered to submit readings at the required level which may well lead to confusion on expectations and difficulties in reporting. Therefore, this will automate a practice that many are not fully complying with and ensure they are then aware of their expectations.</li> </ul>

			<p>Also believes that implementation of the modification should also assist in UIG by getting meter read submission levels up as there is clarity around expectations.</p> <ul style="list-style-type: none"> <li>• Believes that self-governance status is appropriate on the grounds that this is a non-material change and that the proposed lead times are acceptable.</li> <li>• Does not anticipate any significant costs associated with the proposed change.</li> <li>• Notes that the legal text should deliver the intent (solution) of the modification.</li> </ul>
Wales & West Utilities	Support	d) - positive	<ul style="list-style-type: none"> <li>• Supports the proposal as it sets the meter read frequency of Supply Meter Points with Smart meters or Automated Meter Read (AMR) equipment to Monthly from 6-monthly or Annual and that this in turn should improve the meter reading performance for these meters which are quite capable of providing reads this frequently.</li> <li>• Agrees that the modification satisfies the self-governance criteria in that, although it should have a positive effect on competition, it is not material enough to require Authority Direction.</li> <li>• Also agrees with the expected effect on competition as stated in the Draft Modification Report.</li> <li>• Is of the opinion that the modification can be implemented when Xoserve are ready to implement the system changes necessary which detailed in the DSC Change Proposal XRN4941 "Auto updates to meter read frequency (MOD0692)".</li> <li>• WWU would like XRN5036 "Update to must read process" to be implemented on the same date. This change proposal amends DN's must read selection criteria in response to the modification proposal to exclude Supply Meter Points with a meter read frequency of Monthly that have a smart meter or AMR. Must reads is a service provided by DNs that attempts to obtain a read in certain cases when the Shipper has failed to submit a valid read. (See UNC TPD M5.10).</li> <li>• Points out that the cost of implementing XRN5036 is unknown at present but is likely to be significant, and also notes that WWU will recover this cost from the charges for the must read service.</li> <li>• Goes on to point out that its understanding is that 0638V (Mandate monthly read submission for Smart and AMR sites from 01 April 2018) required all sites with Smart or Advanced metering to be read each month, regardless of AQ. That modification did not require these Supply Meter</li> </ul>

		<p>Points to be set to a read frequency of Monthly. Consequently, although there was an obligation to read these meters each month this has not happened to the extent desired probably because Suppliers read according to the read frequency which remained at 6-monthly or Annual.</p> <ul style="list-style-type: none"> <li>• Highlights that the logic of amending the must read criteria in XRN5036 is that if a smart meter or AMR is fitted then it is reasonable to expect a Supplier to be able to easily obtain a read. If the equipment fails then then it is reasonable to expect the Supplier to visit the site to fix the equipment problem at which point either automated reads would recommence or the Supplier would obtain a manual read. This means that the only reason that one of these Supply Meter Points would require a must read would be related to some failure by the Supplier and therefore WWU think that in these cases the Supplier should take the necessary steps to obtain the read and that the obligation should not fall onto the Transporter.</li> </ul>
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Please note that late submitted representations will not be included or referred to in this Final Modification Report. However, all representations received in response to this consultation (including late submissions) are published in full alongside this Report and will be taken into account when the UNC Modification Panel makes its assessment and recommendation.

## 11 Panel Discussions

### Discussion

The Modification Panel noted that from the ten representations received seven supported implementation, one offered qualified support, one provided comments and one was not in support.

Some Panel Members noted the comments raised by a number of respondents, relating to the consequences of the proposed rule change. Some Panel Members noted that there could be cost impacts, whilst others noted that this simply reflects existing obligations within the Uniform Network Code (UNC).

Some Panel Members highlighted that the Modification Report noted that this Modification could provide a benefit to Shippers and Unidentified Gas.

Panel Members noted that for Product Class 4 Reads, by converting this to monthly reads, would mean reads being accepted on a 7-day cycle.

Panel Members discussed the Centrica response that highlighted that this change removes the “all reasonable steps” qualifier to provide smart reads once per month, which might introduce an undue UNC compliance risk. Thirteen out of fourteen Panel Members were of the view that the point raised by Centrica does not present a new issue. A Panel Member did not agree.

A Panel Member noted that all respondents agreed that this Modification should be subject to Self-Governance.

## Consideration of the Relevant Objectives

Panel Members noted that respondents highlighted Relevant Objective d) – Securing Effective Competition.

Panel Members noted the potential benefits of greater read frequency and data provision, out way the potential costs for some Shippers of implementation.

## Determinations

Members voted with 13 votes in favour (out of a possible 14), to recommend implementation of Modification 0692S.

# 12 Recommendations

## Panel Determination

Members agreed:

- that Modification 0692S should be implemented.