

Representation - Draft Modification Report UNC 0691S

CDSP to convert Class 2, 3 or 4 meter points to Class 1 when G1.6.15 criteria are met

Responses invited by: **5pm on 07 August 2020**

To: enquiries@gasgovernance.co.uk

Please note submission of your representation confirms your consent for publication/circulation.

Representative:	Rhys Kealley
Organisation:	British Gas
Date of Representation:	7 August 2020
Support or oppose implementation?	Support
Relevant Objective:	a) Positive d) Positive

Reason for support/opposition: Please summarise (in one paragraph) the key reason(s)

We support this modification. The use of Class 1 instead of Classes 2, 3 and 4 for the largest sites in the market would lead to greater accuracy of daily allocation, less UIG volatility and lower levels of subsequent meter point reconciliation.

Self-Governance Statement: Please provide your views on the self-governance statement.

We support this modification progressing as self-governance.

Implementation: What lead-time do you wish to see prior to implementation and why?

As soon as practical.

Impacts and Costs: What analysis, development and ongoing costs would you face?

No direct costs will be incurred unless sites in our portfolio trigger the Class 1 requirement.

Legal Text: Are you satisfied that the legal text will deliver the intent of the Solution?

For information: legal text for UNC Modification 0691S has been provided with UNC Modification 0708S legal text in mind. It is recommended therefore that UNC Modification 0691S legal text, if approved, is inserted into the Uniform Network Code after the UNC Modification 0708S effective date (as aligned with IGT137 timescales) of 05:00 on 24 July 2020.

The legal text delivers the intent of the solution.

We note a small typo in 2.2.10 b): “faciliate” – should be facilitate.

Are there any errors or omissions in this Modification Report that you think should be taken into account? *Include details of any impacts/costs to your organisation that are directly related to this.*

None noted.

Please provide below any additional analysis or information to support your representation

The proposal meets its objectives in two ways:

- through delivering reporting, communication and process improvements that will ensure all relevant parties are aware of the need for a supply point to move to Class 1; and
- through establishing the obligation under the UNC for the CDSP to apply the class change. The CDSP will add a service line for this intervention to allow for cost recovery, which will incentivise shippers to proactively manage the process to completion.

We acknowledge that some complexity in the process would remain, which will be further addressed once the CDSP takes over the Class 1 read service (as proposed in modification UNC 0710).

An important step in the process requires shippers to facilitate site access to ensure the installation of the required daily meter reading equipment. The proposal adds obligations on shippers (under 2.2.10) to use all reasonable endeavours to assist and facilitate the discharge the obligations on Transporters, the CDSP or others. This requirement could be made firmer in the future, for example, through a potential modification to add appropriate financial measures under the performance assurance arrangements.

This modification represents a positive incremental step that should be taken as soon as possible to address the 15 sites (as at Nov 19) with an AQ equivalent to almost 0.5% of total national LDZ throughput had fully met the qualifying criteria for Class 1 but were still in Product Class 2, 3 or 4 (plus the ongoing churn of new sites crossing the threshold and meeting the criteria).

While current efforts by the CDSP to contact shippers has shown some improvement in getting these sites into Class 1, the proposed process and reporting improvements developed during the workgroup represent incontrovertible changes to take forward. And although more can be done in the future, we believe the proposed additional code obligations on the CDSP and shippers will be sufficient to motivate the required cooperation in the majority of cases.