







UNC Workgroup Report	At what stage is this document in the process?
<h1 data-bbox="134 322 727 414">UNC 0816S:</h1> <h2 data-bbox="134 450 1150 517">Update to AQ Correction Processes</h2>	<div data-bbox="1209 309 1469 622"> <div data-bbox="1209 309 1469 383">01 Modification</div> <div data-bbox="1209 389 1469 463">02 Workgroup Report</div> <div data-bbox="1209 470 1469 544">03 Draft Modification Report</div> <div data-bbox="1209 551 1469 624">04 Final Modification Report</div> </div>
<p>Purpose of Modification:</p> <p>This Modification proposes to add two further ‘eligible causes’ to the Annual Quantity (AQ) amendment process within TPD G2.3.21 and to prevent AQ amendments being processed where there is no change in value to the AQ.</p>	
<p>Next Steps:</p> <p>The Workgroup recommends that this modification should be subject to Self-Governance</p> <p>The Panel will consider this Workgroup Report on 19 January 2023. The Panel will consider the recommendations and determine the appropriate next steps.</p>	
<p>Impacted Parties:</p> <p>Medium: Shippers, Distribution Network Operators, CDSP</p>	
<p>Impacted Codes:</p> <p>None identified at this stage.</p>	

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Timetable			Transporter: David Mitchell, Scotia Gas Networks
Modification timetable:			
Pre-Modification Discussed	N/A		
Date Modification Raised	08 August 2022		david.mitchell@sgn.co.uk
New Modification to be considered by Panel	18 August 2022		
First Workgroup Meeting	25 August 2022		07799 343 082
Workgroup Report to be presented to Panel	17 November 2022		Systems Provider: Xoserve
Draft Modification Report issued for consultation	18 November 2022		
Consultation Close-out for representations	09 December 2022		
Final Modification Report available for Panel	13 December 2022		UKLink@xoserve.com
Modification Panel decision (<i>at short notice</i>)	15 December 2022		

1 Summary

What

At present, the Uniform Network Code (UNC) currently allows for the amendment of a Supply Point Annual Quantity (AQ) due to four defined eligible causes defined within [TPD G2.3.21](#). The current eligible causes for amending an AQ are theft of gas, change in consumer plant, commencement of new business or discontinuance of an existing business activity and tolerance change.

This Modification seeks to add two further eligible causes, which are ~~{Erroneous AQ based on read history}~~ and ~~{Change in operation/consumption}~~.

The eligible cause ~~{Erroneous AQ based on read history}~~ is intended to be utilised where a Supply Meter Point (SMP) has a read history outside of the current Registered User's ownership which is not representative of the current usage of the SMP, the User may utilise an [erroneous AQ based on read history] AQ Correction.

The eligible cause ~~{Change in operation/consumption}~~ is intended to be utilised where a SMP has changed in use resulting in a need for an increase or decrease in AQ, where there is no physical change of equipment or change of Shipper.

This Modification also seeks to prevent AQ amendments where there is no change [~~de minimis change~~] being made to the current AQ value.

Why

The [0783R – Review of AQ Correction Processes](#) was required in order to assess whether the current arrangements meet the objectives for the setting of the AQ and identify and consider possible amendments that are required to UNC. During the 0783R – Review of AQ Corrections Processes discussions, Distribution Workgroup looked at summary data of how current eligible causes are used, and whether the current eligible causes for utilising an AQ amendment are fit for purpose.

It was identified that two further eligible causes are necessary for Users to utilise in order to submit AQ corrections. It was felt that this would also improve the overall accuracy in use of the AQ corrections process.

How

TPD Section G 2.3.21 will be amended to include the two further eligible causes, ~~{Erroneous AQ based on read history}~~ and ~~{Change in operation/consumption}~~.

A change will also be required in order to prevent AQ corrections where there is ~~a no change~~ [~~de minimis change~~] being made to the current AQ value.

2 Governance

Justification for Self-Governance

The Modification is suitable for Self-Governance as it is unlikely to have a material effect on “(bb) competition in the shipping, transportation or supply of gas conveyed through pipes or any commercial activities connected with the shipping, transportation or supply of gas conveyed through pipes”, due to simply updating existing AQ correction processes.

Requested Next Steps

This Modification should:

- proceed to Consultation.

Workgroup's Assessment

Workgroup's Assessment of Governance and whether the Modification meets/continues to meet the Self-Governance criteria.

Insert text here.

3 Why Change?

There are provisions within UNC for a User to make amendments to any of its registered Supply Point AQs where it believes that the AQ is not representative of its consumption over the following 12-month period. UNC outlines Eligible causes which a User can rely on when making such an AQ amendment.

Following the outcome of the Review Group [0783R - Review of AQ Correction Processes](#), two further eligible causes were identified as being necessary for Users in order to ensure that all eligible causes within Code are fit for purpose. The Review also identified a portion of AQ corrections being submitted which give no change to the AQ value. Participants of the Review therefore felt that it was necessary no longer allow such AQ amendments where there is [either no change in AQ value or di minimis change].

As these are the outcomes from the Review Group, these are aspects of the AQ corrections process where currently the process is not providing the full scope of eligible causes a User may require in order to submit an AQ amendment. By applying these changes which have been identified, the aim is to ensure that the AQ corrections process is fully fit for purpose.

4 Code Specific Matters

Reference Documents

[Uniform Network Code - Transportation Principal Document - Section G - Supply Points - 2.3.21](#)

[0783R - Review of AQ Correction Processes](#)

Knowledge/Skills

Nothing specific.

5 Solution

Draft Business Rules:

BR1: A change is required to UNC TPD G2.3.21 to add two further eligible causes, ~~[Erroneous AQ based on read history]~~ and ~~[Change in operation/consumption]~~, and to prevent AQ corrections where there is ~~a [no change/de-minimis change]~~ in value for AQ for all eligible causes, with the exception of eligible cause 4 (TPD G2.3.22).

BR2: [Erroneous AQ based on read history] - Where a Supply Meter Point (SMP) has a read history outside of the current Registered User's ownership which is not representative of the current usage of the SMP, the User may utilise an [erroneous AQ based on read history] AQ correction.

BR2 a): As a mandatory requirement of submitting an [Erroneous AQ based on read history] AQ correction, the following criteria must be met:

- the confirmation effective date with the current shipper must be within 12 months of the date of the request
- the sites Rolling AQ must have increased by greater than 100% since the current shippers confirmation effective date.

Guidance note: ~~The erroneous read(s) highlighted within the Supporting Information will be preventing an accurate rolling AQ being calculated.~~

Utilisation of AQ correction ~~[Erroneous AQ based on read history]~~ has no adverse impact on the previous Shipper as it is used only as a corrective action for the current User.

BR3: ~~[Change in operation/consumption]~~ - Where a SMP has changed in use resulting in a need for an increase or decrease in AQ, where there is no physical change of equipment.

Guidance note – To be utilised where there is not commencement of new business/discontinuance of business already covered within eligible causes (TPD G2.3.21 b) and c)).

BR3 a): As a mandatory requirement of submitting a ~~[Change in operation/consumption]~~, AQ correction, the User must submit Supporting Information stating the nature of the change of use to the SMP.

The following criteria must also be met:

- the site must ~~be occupied~~not be vacant

Guidance note – As an example, the User will state within the Supporting Information that the SMP has undergone a material change in operation or is changing in use resulting in 24/7 usage, therefore impacting on the AQ at the SMP.

BR4: Utilising any AQ correction to submit a value which is less than 5% different to the current AQ will not be allowed and the User will receive a rejection response, with the exception of Eligible cause 4 (TPD G2.3.22).

6 Impacts & Other Considerations

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

No impact identified.

Consumer Impacts

The inclusion of two additional eligible causes will ensure that Users are provided with the necessary ways to submit AQ amendments more accurately. Whilst this does not directly impact consumers, this may have further downstream effects to consumers, ensuring that they are billed more accurately.

What is the current consumer experience and what would the new consumer experience be?

No impact identified.

Impact of the change on Consumer Benefit Areas:	
Area	Identified impact
Improved safety and reliability	None
Lower bills than would otherwise be the case	None
Reduced environmental damage	None
Improved quality of service	None
Benefits for society as a whole	None

Cross-Code Impacts

TBC

EU Code Impacts

None identified.

Central Systems Impacts

It is expected that there will be Central System impacts, the impact of the Modification Solution on Central Systems will need to be assessed.

Rough Order of Magnitude (ROM) Assessment *(Cost estimate from CDSP)*

Cost estimate from CDSP where the Modification relates to a change to a CDSP Service Document

Insert text here.

Performance Assurance Considerations

The Workgroup must consider any areas which PAC will need to monitor as a result of implementation if this Modification

Insert text here.

Panel Questions *(Joint Office to complete)*

The Workgroup must provide an assessment against each of the Panel Questions

Question 1. Consider materiality relating to billing impact and therefore does the Modification continue to meet the Self-Governance criteria?

Insert text here

Covered in October 2022 meeting see minutes

Workgroup Impact Assessment *(Joint Office to complete)*

Are there any impacts on Commercial Activities?

Insert text here.

7 Relevant Objectives

Impact of the Modification on the Transporters' 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.	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

The Modification furthers relevant objective d) Securing of effective competition, as it ensures that there is suitable process available for Users to correct AQs and ensure that they are an accurate reflection of consumption.

Insert phrase

The Modification is also positive in relation to relevant objective f) Promotion of efficiency in the implementation and administration of the Code as it allows Users to utilise the appropriate eligible cause in order to amend an AQ.

Workgroup Assessment of Relevant Objectives

The Workgroup must provide an assessment of how the Relevant Objectives are furthered and respond to what the proposer has provided

Insert text here

8 Implementation

As Self-Governance procedures are proposed, implementation could be sixteen business days after a Modification Panel decision to implement, subject to no Appeal being raised.

System change impact on implementation date?

9 Legal Text

Insert Proposers Suggested Legal Text where provided and not superseded by Transporters Text.

Legal text will be drawn up by the relevant Transporter at a time when the modification is sufficiently developed in line with the [Legal Text Guidance Document](#).

Legal Text has been provided by Scotia Gas Networks and is [included below/published alongside this report].

Workgroup Assessment

Workgroup's Assessment of the proposed changes and how these meet the intent of the Solution.

The Workgroup has considered the Legal Text and is satisfied that it meets the intent of the Solution.

Text Commentary

Insert text here.

Text

Insert text here.

10 Recommendations

Workgroup's Recommendation to Panel

The Workgroup asks Panel to agree that:

- This ~~{Self-Governance}~~ Modification should proceed to consultation.
- This proposal requires further assessment and should be returned to Workgroup.