











UNC Modification	At what stage is this document in the process?
<h1 data-bbox="134 322 657 414">UNC 0819:</h1> <h2 data-bbox="134 450 1182 584">Establishing/Amending a Gas Vacant Site Process</h2>	<div data-bbox="1209 309 1469 629"> <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 seeks to provide Shippers with the ability to effectively manage their Settlement Performance Obligations and Transportation Costs for Vacant sites.</p>	
<p>Next Steps:</p> <p>The Proposer recommends that this Modification should be:</p> <ul style="list-style-type: none"> considered a material change and not subject to Self-Governance assessed by a Workgroup <p>This Modification will be presented by the Proposer to the Panel on 15 September 2022. The Panel will consider the Proposer’s recommendation and determine the appropriate route.</p>	
<p>Impacted Parties:</p> <p>High: Shippers and Suppliers</p> <p>Low: Distribution Network Operators, Independent Gas Transporters and Consumers</p> <p>None: NTS</p>	
<p>Impacted Codes:</p> <p>Uniform Network Code (UNC) and Independent Gas Transporters UNC</p>	

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Timetable		
Modification timetable:		
Pre-Modification Discussed at final 0783R workgroup	12 July 2022	
Date Modification Raised	01 September 2022	
New Modification to be considered by Panel	15 September 2022	
First Workgroup Meeting	22 September 2022	
Workgroup Report to be presented to Panel	19 January 2023	
Draft Modification Report issued for consultation	19 January 2023	
Consultation Close-out for representations	09 February 2023	
Final Modification Report available for Panel	10 February 2023	
Modification Panel decision	16 March 2023	
		 Any questions?
		Contact: Joint Office of Gas Transporters
		 enquiries@gasgovernance.co.uk
		 0121 288 2107
		Lee Greenwood – British Gas
		 lee.greenwood@britishgas.co.uk
		 n/a
		Transporter: Insert name and Organisation
		 email address
		 telephone
		Systems Provider: Xoserve
		 UKLink@xoserve.com
		Other: Insert name
		 email address
		 telephone

1 Summary

What

This Modification proposes to give Shippers the ability to effectively manage Settlement Performance Obligations and reduce Transportation Costs when the proposed Vacant criteria is met, and a Shipper has chosen to set a site to Vacant.

Why

Within the current economic climate there are many domestic and commercial properties that have become Vacant, with the Shipper unable to access the property or contact the customer to obtain meter readings. In certain circumstances, a warrant can be obtained through the courts. However, this can be a costly procedure and requires a considerable amount of time and effort. Despite these facts, Gas Shippers are unable to effectively reduce their Settlement Performance Obligations and Transportation Cost exposure to these sites, as:

- An AQ for a site can only be amended by obtaining meter readings
- A Shipper/Supplier cannot access the site(s) to obtain meter readings
- A Shipper is unable to contact the customer to obtain meter readings

How

The Modification proposes that once a site has met proposed Vacant criteria, the Shipper is given the ability to contact the Central Data Service Provider (CDSP) to remove Settlement Performance Obligations and stop Transportation Costs while the site is in a Vacant status.

Shippers would continue to apply the Isolation and Withdrawal process where it is deemed appropriate and possible, noting that the majority of isolations can only be applied with access to the property. The process proposed under this Modification regarding Vacant sites is independent to the current Isolation and Withdrawal processes. There are no proposed changes to the Isolation or Withdrawal processes as a result of this Modification.

This Modification also seeks to introduce additional reporting to Performance Assurance Committee (PAC) (and a corresponding anonymised report) in the Performance Assurance Report Register (PARR) regarding the Vacant Sites process. This is likely to include the count of Supply Meter Points where the CDSP have been notified of Vacant criteria for a site being met and the total count of sites that have a Vacant Status and the duration they have had this status.

2 Governance

Authority Direction is proposed for this Modification, as the last time this subject was discussed in 2011 (Modification 0282 & 0282A) it was considered a material change and not subject to Self-Governance. The view of Workgroup 0783R was that this was still the case for this Modification due to the potential impacts in Gas Allocation, Reconciliation and UIG.

Requested Next Steps

This Modification should:

- be assessed by a Workgroup.
- be considered a material change and not subject to Self-Governance.

3 Why Change?

Currently there is no process that allows Shippers to remove Settlement Performance Obligations or reduce Transportation Costs for Vacant sites without submitting meter readings. However, when a site is Vacant it is difficult for Shippers and meter reading agents to obtain meter readings. In certain circumstances, a warrant can be obtained through the courts. However, this is a costly procedure and requires a considerable amount of time and effort. This leaves Shippers paying inflated Transportation Costs until meter readings are obtained and submitted and accepted into Settlement, noting that some costs become unrecoverable when the last actual reading predates the Line in the Sand date.

By providing Shippers with the ability to reduce Transportation Costs to reflect real time usage it will ensure that Shippers are not paying upfront costs, noting that this would be particularly useful to the smaller market participants that might not have access to large amounts of cashflow for upfront costs, promoting market competition.

Shippers would continue to apply the Isolation and Withdrawal process where it is deemed appropriate and possible, noting that the majority of isolations can only be applied with access to the property. The process proposed under this Modification regarding Vacant sites is independent to the current Isolation and Withdrawal processes. There are no proposed changes to the Isolation or Withdrawal processes as a result of this Modification.

4 Code Specific Matters

Reference Documents

TPD Section G and Section V

Knowledge/Skills

Knowledge of Read Submission Process, AQ and SOQ, Gas Allocation, Reconciliation and UIG.

5 Solution

Business Rule 1

It is proposed that a new Vacant site process for Product Class 4 Non-Daily Metered (NDM) sites, with a Standard Meter (DUMB), Non-active AMR Meter or SMETS Meter with a Non Active DCC Flag configuration is established to allow Shippers to remove sites from Meter Read Obligations in TPD M5.9, Must Reads in TPD M5.10, and reduce their cost exposure to Vacant sites, through a process similar to which exists in the Electricity market.

The Shipper would be responsible for ensuring proposed criteria is met before a site could be made Vacant through notification to the CDSP. Details of the proposed criteria will be maintained within a UNC Related Document - Vacant Site Guidance Document.

For the avoidance of doubt, IGT sites are in scope of the 0819 process BUT there are no changes to IGT specific charges.

Business Rule 2

Where a Shipper has ensured that the proposed Vacant site criteria has been met and wishes to utilise the Gas Vacant process, the Shipper will notify the CDSP to enter the site into "Vacant status". Where the CDSP holds information to suggest that proposed Vacant site criteria has not been met in accordance with the Vacant Site Guidance Document, the CDSP will reject the submission for a Vacant status.

Business Rule 3: Settlement and Commodity Relief

At the point the site is entered into a Vacant status by the CDSP (as notified by the Registered User), Settlement Performance Obligations, Commodity Costs, Daily Allocation and UIG will cease prospectively.

For the avoidance of doubt, this cease to Meter Read Obligations in TPD M5.9, Must Reads in TPD M5.10, Commodity Costs, Daily Gas Allocation and UIG Allocation will be prospective only from the point the Vacant Status is applied. Any retrospective ceases are out of scope of this Modification and process.

Business Rule 4: Capacity Relief

Where a site has been in a Vacant status for 12 months or more with the same Supplier and Shipper the Shipper will have the option to request a change to the Annual Quantity (AQ) of the site to set the AQ to 1 via a new Vacant site "eligible cause" as per TPD G 2.3.21 to receive Capacity relief.

Business Rule 5: Exit Criteria

A site will trigger the removal from Vacant status when any of the following occur:

1. Change of Shipper and / or Supplier event (CoS) request is accepted, including as a result of:
 - a. Supplier of Last Resort (SoLR) event has taken place
2. An AQ amendment has been submitted except if in accordance with Business Rule 4 (for the avoidance of doubt, this exit criteria could be triggered by submission of an "eligible cause" as per TPD G 2.3.21 and where a change in AQ is submitted due to read tolerance as per TPD G 2.3.22).
3. Class Change is submitted
4. Request for Isolation is made
5. Read relevant to the period of vacancy is submitted into UK Link
6. ONJOB is submitted into UK Link

For the avoidance of doubt, in relation to points 2 to 6 above the trigger is being submitted to the CDSP, regardless of it being accepted and processed centrally.

Business Rule 6: Vacant status removal - Settlement and Commodity Relief

- a.) Where the site AQ **has not** been reduced to 1, the CDSP will remove the Vacant status with Meter Read Obligations in TPD M5.9, Must Reads in TPD M5.10, Commodity Costs, Daily Allocation and UIG recommencing, when any of the above Exit Criteria are triggered.
- b.) Where the site AQ **has** been reduced to 1, the Vacant status will be removed in line with the updated AQ becoming effective as per the business rules below.

Business Rule 7: Vacant status removal - Capacity Relief

- a) Where the Registered User triggers the exit from the process via an AQ amendment (AQ correction), the Vacant status will be removed by the CDSP in line with the updated AQ (as per the correction request), becoming effective. For the avoidance of doubt this will be effective in line with the existing AQ amendment timelines. For the avoidance of doubt, this exit criteria could be triggered by submission of an "eligible cause" as per TPD G 2.3.21 and where a change in AQ is submitted due to read tolerance as per TPD G 2.3.22.

For the other exit triggers (CoS, SoLR, Class Change, Read or .JOB submitted), the Registered User will have until M-15 Supply Point System Business Days (SPSBDs) the following month of the trigger, to amend the AQ (via the AQ amendment process) to the accurate usage. The Vacant status will be removed by the CDSP in line with the updated AQ (as per the correction request) becoming effective. For the avoidance of doubt, this will be effective in line with the existing AQ amendment timelines.

- b) In the absence of the Registered User amending the AQ as per the above timeline, the CDSP will reinstate the pre-Vacant Rolling and Formula Year AQ (FYAQ). The Vacant status will be removed by

the CDSP in line with the pre-Vacant Rolling and FYAQ becoming effective. For the avoidance of doubt, where the CDSP reinstate the pre-Vacant Rolling and FYAQ between the months January – March, the reinstated value will be utilised to set the FYAQ for the next 12 months commencing in April. Further for the avoidance of doubt, the reinstated pre-vacant AQ will be subject to existing AQ correction backstop rules. This means following the point the CDSP reinstate the pre-Vacant AQ, the AQ should remain at this estimate and the next AQ Calculation Month shall be the first month in relation to which a Qualification Meter Reading, with a Read Date not less than 9 months from the reinstated pre-Vacant AQ is submitted.

Supplemental:

It is recognised that this Modification will require additional reporting in the PARR regarding the vacant sites process but should not delay progress of the Modification.

6 Impacts & Other Considerations

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

There are no impacts identified on a current SCR.

Consumer Impacts

More accurate billing.

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

Consumers currently being billed on inflated AQ volumes would receive more accurate billing.

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 The proposed process will likely see increased visits to Vacant sites to monitor and establish if sites are still in a Vacant state with no access.	Positive
Benefits for society as a whole	None

Cross-Code Impacts

Possible IGT UNC Modification required.

EU Code Impacts

None.

Central Systems Impacts

The Modification will impact the Central Data Services Provider and will be passed to Xoserve for a cost of implementation.

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:	Positive

<p>(i) between relevant Shippers;</p> <p>(ii) between relevant Suppliers; and/or</p> <p>(iii) between DN operators (who have entered into transportation arrangements with other relevant gas transporters) and relevant Shippers.</p>	
<p>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.</p>	<p>None</p>
<p>f) Promotion of efficiency in the implementation and administration of the Code.</p>	<p>None</p>
<p>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.</p>	<p>None</p>
<p>By providing Shippers with the ability to reduce Transportation Costs to reflect real time usage it will ensure that Shippers are not paying unnecessary costs, noting that this would be particularly useful to the smaller market participants that might not have access to large amounts of cashflow for unnecessary costs, therefore promoting Relevant Objective d) Securing of effective competition:</p> <p>(i) between relevant Shippers;</p> <p>(ii) between relevant Suppliers.</p>	

8 Implementation

No implementation timescales are proposed. However, following finalisation of the Modification solution it will be passed to Xoserve for evaluation of the central systems impacts and implementation timescales.

For the avoidance of doubt it is expected that it will be implemented as soon as possible.

9 Legal Text

Text Commentary

TBC

Text

TBC

10 Recommendations

Proposer’s Recommendation to Panel

Panel is asked to:

- Agree that Authority Direction should apply.
- Refer this proposal to a Workgroup for assessment.

Vacant Site Guidance Document

Version 1.0

Document Control

Version	Date	Reason for Change
Version 1.0	28 th September 2023	Awaiting Modification approval; implementation date TBC

Introduction

This document sets out the criteria whereby a Shipper may include a Supply Point in the Gas vacant process. Only Class 4 Non-Daily Metered (NDM) sites are eligible for a Supply Point vacant status to be applied.

Please note that this process will fall into the remit of the Performance Assurance Committee (PAC) and Shippers may be called upon to justify their position.

This is the criteria in which a Shipper may designate a Supply Point as Vacant

1. Site is Live (and)
2. Site is in the Shippers Ownership (and)
3. Site has a Meter installed (and)
4. Site is not Isolated (and)
5. Site is Product Class 4 (and)
 - a. Annually (or) Monthly Read (MRF) (and)
 - b. Small Supply Point (SSP) (or) Large Supply Point (LSP) (and)
 - c. Independent Gas Transporter (IGT) (or) Gas Transporter (GT) (and)
 - d. Standard Meter (DUMB) or Non-active AMR Meter or SMETS Meter with a Non-Active DCC Flag (and)
6. Site is Unoccupied (and)
 - a. Property is not currently being used as a dwelling
 - b. Property is not currently being used as a place of business
7. No Access to Site
 - a. Shipper authorised representative is unable to gain access to the property to read the meter*
 - b. Shipper is unable to contact the Customer for meter readings**
 - c. Customer has not provided meter readings

*Shippers must be able to demonstrate a Shipper authorised representative has attempted to visit and access the property to obtain meter reading(s). There must be two visits, at least 3

months apart but no more than 9 months apart, with the latest visit being within 3 months of requested entry to the Gas Vacant process.

Noting that there must be no other information received or obtained that suggests anything other than a Vacant Status, otherwise the qualifying visits are void.

(and)

** Shipper must proactively make reasonable attempts to identify the owner of the property to obtain meter readings. The following could be seen as proactive attempts to identify the owner of the property to obtain meter readings:

- Checks to see whether the same problems in obtaining meter readings occur for Electricity (noting that this is only possible where the Supplier supplies both Gas and Electricity to the property); or
- Reasonable attempts have been made to contact such bodies as estate agents, letting agents, councils, the land registry etc to find out who the owner is. Where the owner has been identified, attempts have been made, and recorded, to contact the owner and obtain meter readings without success

The Shipper would need to maintain records of the checks outlined above that have been carried out in their monitoring of Vacant sites.

Rejection of Vacant Status

At the time the Shipper requests the CDSP to enter the site into a Vacant Status the CDSP will validate against criteria 1 to 4 and 5a to 5c; the CDSP will reject the request for vacant status where validation of vacant criteria has not been met. A further validation check will be conducted by the CDSP to retrospectively check for Meter readings from the date of the first qualifying No Access visit, as confirmed in the Shipper request, up to and including the date the vacant site request is received. Where readings have been submitted the CDSP will reject the request for vacant status.

Where the CDSP rejects a request for a vacant status the CDSP will notify the shipper of the rejection and the reason as soon as reasonably practical.

Maintain Vacant Status

For a site to remain Vacant, Shipper must be able to demonstrate the Shipper authorised representative has attempted to visit the property to obtain meter readings every 6 months, from the date the Vacant Status was set. The Shipper must also continue to proactively make reasonable attempts to identify the owner of the property to obtain meter readings.

The Shipper would need to maintain records of the checks outlined above that have been carried out in their monitoring of Vacant sites.

AQ Corrections to 1 – Winter Consumption

Please note that any AQ submitted will be subject to current AQ correction validation rules. Noting that a site with a Rolling AQ above 293k will have a Winter Consumption applied. Submitting a AQ amendment to 1 (where the site has a WAR band applied) will cause a rejection that will require resolving before an AQ can be accepted, as you can't have a Winter Consumption that is greater than a sites AQ for a new AQ of '1' the corrected/requested Winter Consumption will need to be '0'

Frequently Asked Questions

Q: Why does the modification only cover Product Class 4 sites?

A: As Modification 0664VVS will class change Product Class 2 and 3 sites to Product Class 4 following a period of poor read performance, and Product Class 1 being considered to be too large in volume for this process, it was agreed that the Vacant process only be applicable to Product Class 4.

Q: Why do you need to have two visits, at least 3 months apart before being able to apply for a Vacant status?

A: The timeline for sites to become valid for a vacant status mirror's very closely the already established Electricity P196 vacant process.

Q: Why does a site have to remain in Vacant status for 12 months before capacity relief can be requested?

A: A communicating SMART meter returning (at least) monthly non advancing reads will bring the AQ down to 1 over a 12-month period. It was the view of the Workgroup that an AQ amendment to 1 can only be applied after 12 months for Vacant sites to remain similar to this process.

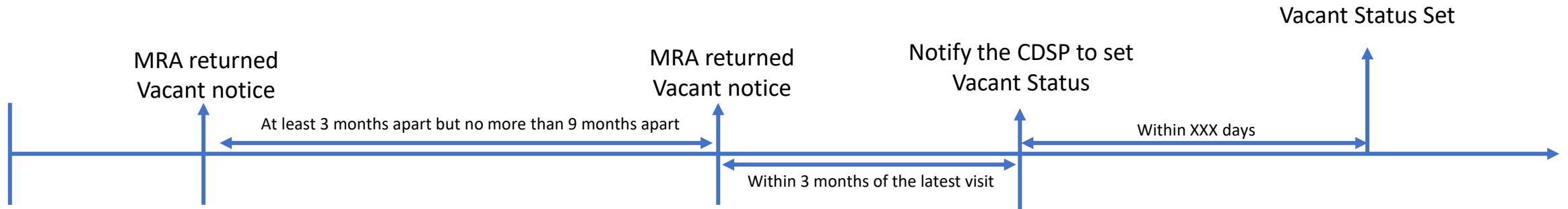
Q: Why is a pre-vacant value re-instated?

A: If the Shipper does not amend the Vacant AQ (AQ of 1) once Exit Criteria has been met the Shipper would continue to receive Capacity relief without a pre-vacant AQ values being reinstated. As this would impact UIG it was the view of the workgroup to reinstate pre-vacant AQs where no action has been taken by the Shipper.

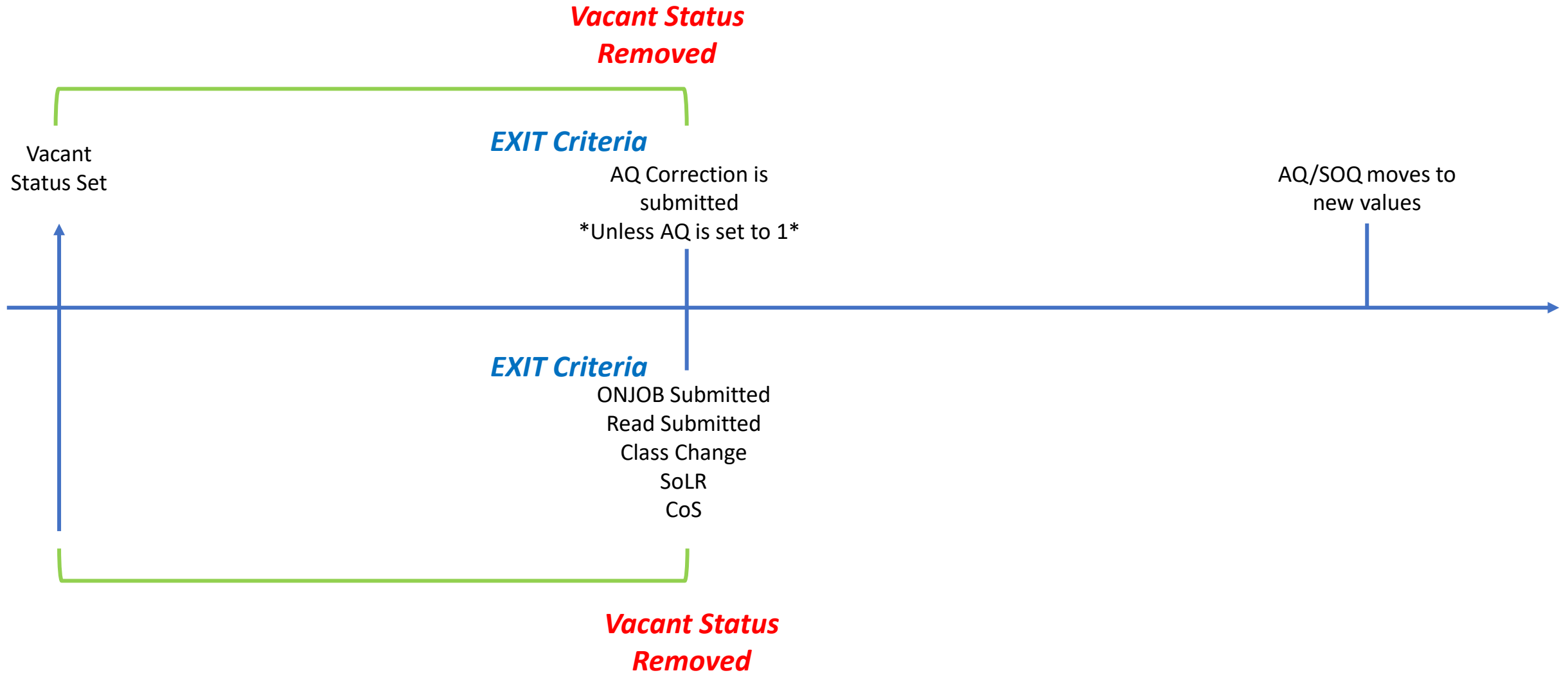
Q: Why does the CDSP reinstated pre-vacant values have a backstop applied?

A: If no backstop was applied this would mean that once the Shipper submits a new read for a previously vacant SMP, the rolling AQ would be immediately pulled back down. The AQ would, therefore, be closer to the vacant AQ value than the re-instated pre-vacant value, negating the impact of reinstating the pre-vacant AQ values.

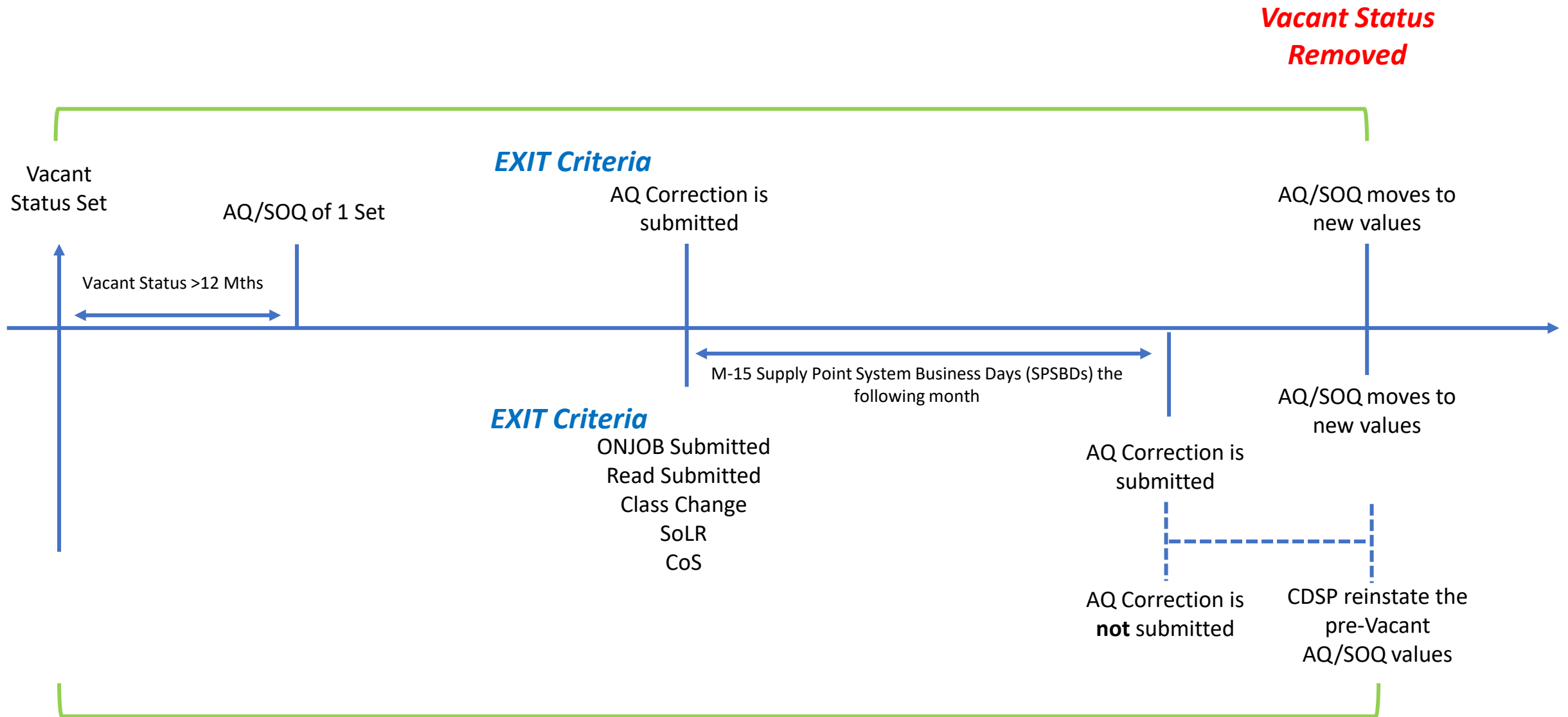
Entry Criteria



Settlement and Commodity Exit Criteria



Capacity Exit Criteria





Modification 0819

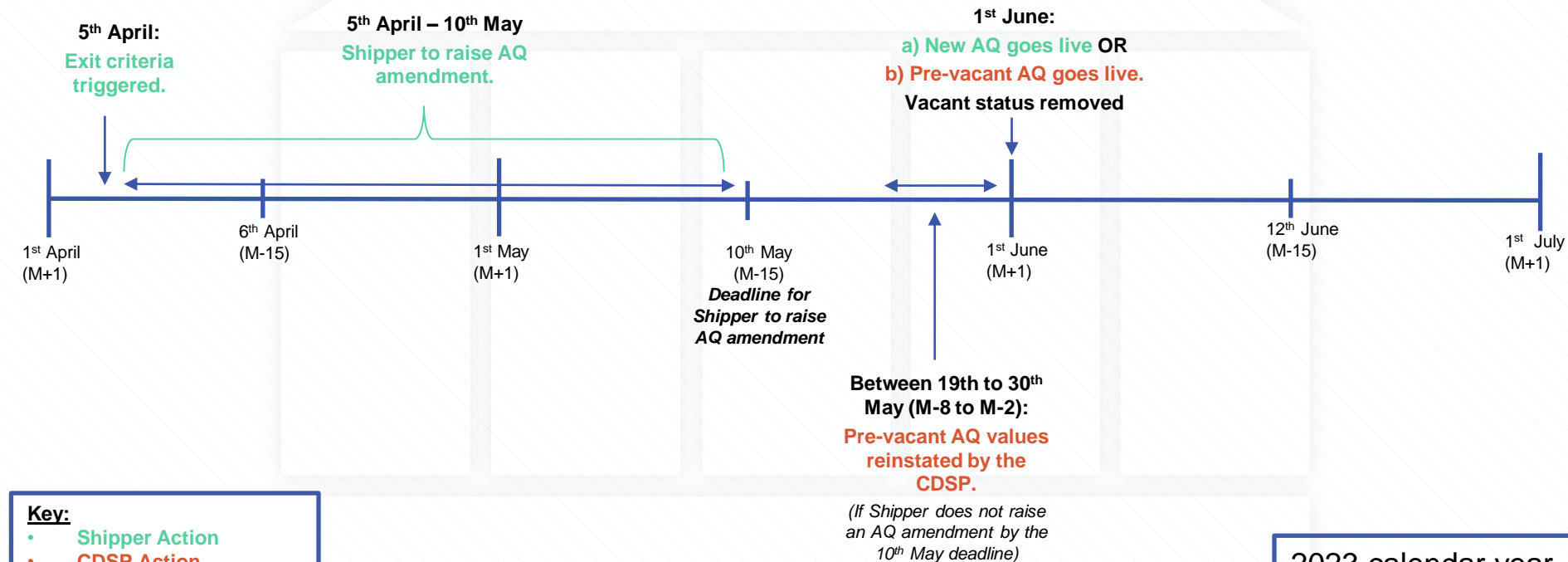
Establishing/Amending a Gas Vacant Site Process

Vacant Site Exit Process – AQ Scenarios

DWG February 2023

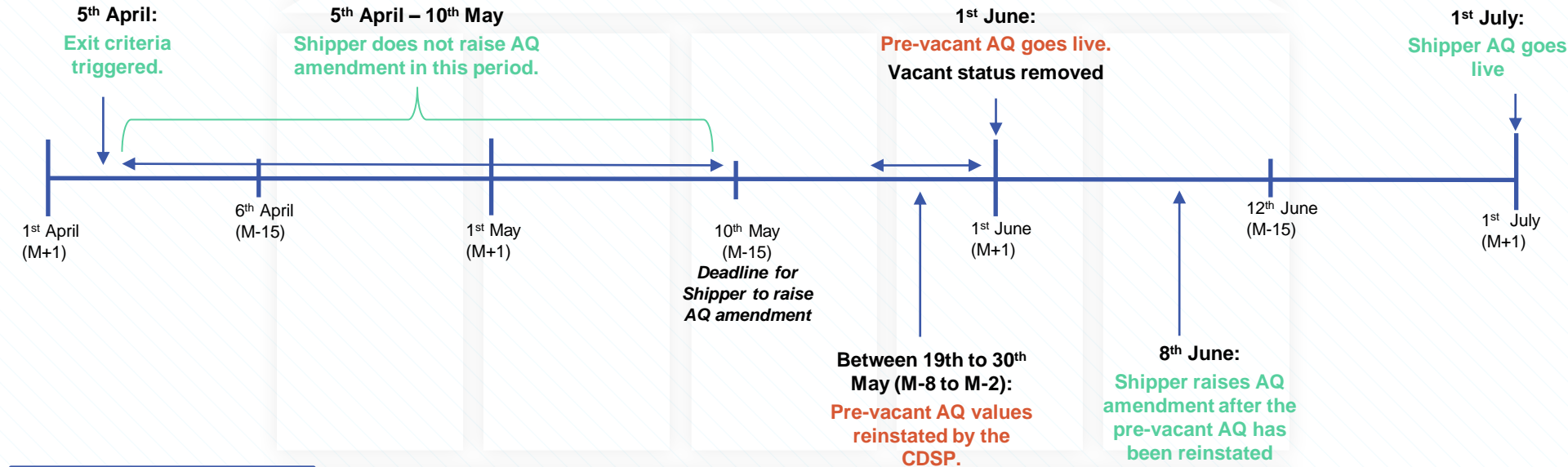
Scenario 1 & 2:

AQ correction raised by Shipper within timescales OR
CDSP reinstate pre-vacant AQ values.



2023 calendar year

Scenario 3: CDSP reinstate pre-vacant AQ values & Shipper raises AQ correction outside timescales.



Key:

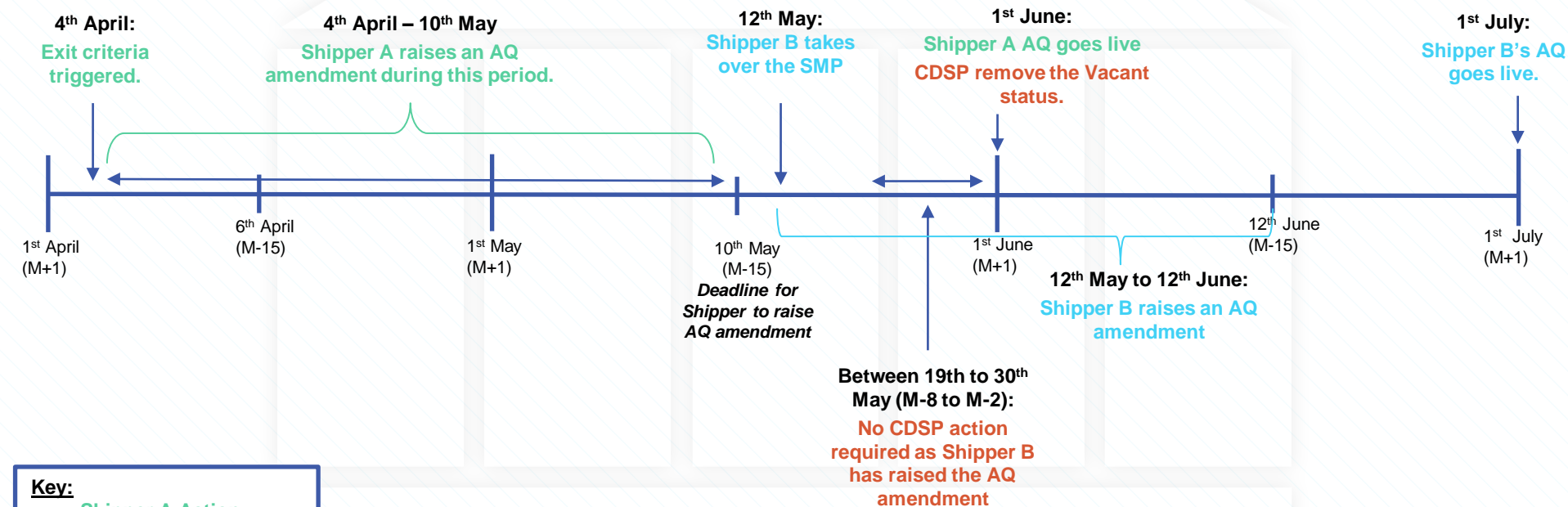
- Shipper Action
- CDSP Action

2023 calendar year

Scenario 4:

Change of Shipper during Exit Process.

Shipper A carries out AQ correction prior to change in ownership to Shipper B.



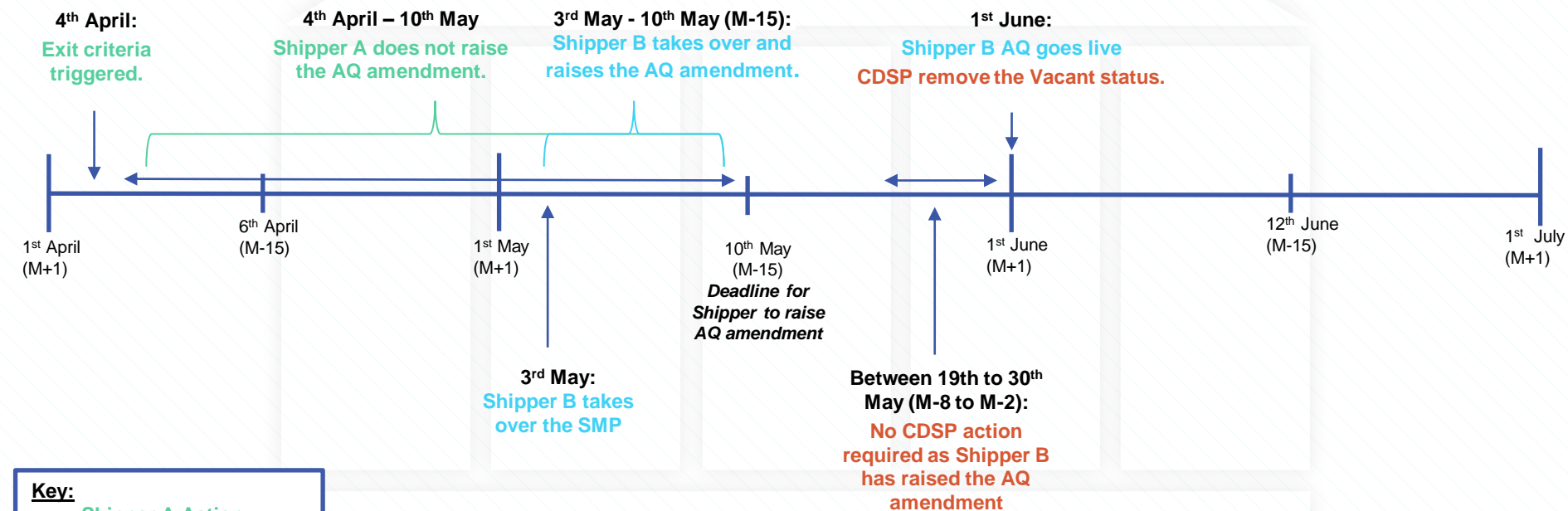
- Key:**
- Shipper A Action
 - Shipper B Action
 - CDSP Action

2023 calendar year

Scenario 5:

Change of Shipper during Exit Process.

Shipper B carries out AQ correction within original exit process timescales.



Key:

- Shipper A Action
- Shipper B Action
- CDSP Action

2023 calendar year

Questions from January 2023 Workgroup

Q1) How would the CDSP reinstate the pre-vacant AQ?

A1) We are anticipating that functionality will be developed to reinstate the pre-vacant AQ values. A CDSP generated AQ amendment process is not currently being proposed.

Q2) If the CDSP re-instate the pre-vacant AQ values between Jan-Mar, a requirement has been included that the FY AQ should be derived from the pre-vacant values and not the vacant AQ of 1. Why is this logic not being applied to Shipper AQ corrections?

A2) If a Shipper raises an AQ amendment via the existing process, the original snapshot position is automatically updated, so this requirement is not applicable for Shipper raised AQ amendments. Where the CDSP have to reinstate the pre-vacant AQ, we are not anticipating this is via an AQ amendment therefore this requirement is needed.