












| Modification  |  | At what stage is this document in the process?  |
|---|--|---|
| <p><b>iGTxxx:</b></p> <p>Generation of an estimated Meter Reading at the Code Cut Off Date in the absence of an actual Meter Reading</p>  |  | <div>01 Modification</div> <div>02 Workgroup Report</div> <div>03 Draft Modification Report</div> <div>04 Final Modification Report</div> |
| <p><b>Purpose of Modification:</b></p> <p>This Modification would provide Transporters with an ability to create an estimated Meter Reading with an effective date of the Code Cut Off Date where no Meter Reading has been received within the previous seven years.</p> |  |   |
|    | <p>The Proposer recommends that this modification should be:</p> <ul style="list-style-type: none"> <li>subject to self-governance</li> <li>assessed by a Workgroup</li> </ul> <p>This modification will be presented by the Proposer to the Panel on <b>dd mmm yyyy</b> (<i>Code Administrator to provide date</i>). The Panel will consider the Proposer's recommendation and determine the appropriate route.</p> |   |
|    | <p>High Impact:</p> <p>None</p>  |   |
|    | <p>Medium Impact:</p> <p>Pipeline Users and Pipeline Operators</p>   |   |
|    | <p>Low Impact:</p> <p>None</p>   |   |

**Guidance on the Use of this Template:**

Please complete all sections unless specifically marked for the Code Administrator.

Green italic text is provided as guidance and should be removed before submission.

The Code Administrator is available to help and support the drafting of any modifications, including guidance on completion of this template and the wider modification process. Contact [iGTUNC@gemserv.com](mailto:iGTUNC@gemserv.com) or 020 7090 1044.

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| Timetable  |                                |  iGTUNC@gemse<br>rv.com   |
| <i>Please provide proposer contacts and an indicative timeline. The Code Administrator will update the contents and provide any additional Specific Code Contacts.</i> |                                |  020 7090 1044  |
| <b>The Proposer recommends the following timetable:</b> <i>(amend as appropriate)</i>  |                                | Proposer:<br>Tbc   |
|  |                                |   |
|  |                                |   |
|  |                                | Other:<br>Paul Orsler  |
|  |                                |  <a href="mailto:paul.orsler@xoserve.com">paul.orsler@xoserve.com</a> |
|  |                                |  0121 623 2060  |
| Initial consideration by Workgroup   |                                | 05 January 2017  |
| Amended Modification considered by Workgroup   |                                | dd month year  |
| Workgroup Report presented to Panel  |                                | dd month year  |
| Draft Modification Report issued for consultation  |                                | dd month year  |
| Consultation Close-out for representations   |                                | dd month year  |
| Variation Request presented to Panel   |                                | dd month year  |
| Final Modification Report available for Panel  |                                | dd month year  |
| Modification Panel decision  |                                | dd month year  |
|  |                                |  |

## 1 Summary

### What

In order to support the successful implementation of individual meter point Reconciliation – a fundamental industry requirement which is incorporated within Project Nexus Modification 0432, the requisite supply meter point meter reading history is needed to allow for reconciliation to take place. Xoserve have identified a) a population of supply meter points where such history does not exist, and b) consequences of such history not being maintained on an annual basis. Therefore, mitigation is being sought to reduce the impact that the above may have on UNC parties from Project Nexus Implementation Date.

### Why

Where a Meter Reading has not been received by the Transporter Agency, Xoserve, for seven years or more, there is a need for Xoserve to calculate and load an estimated Meter Reading, based on the Code Cut Off Date in order for the relevant Supply Point to reconcile upon receipt of a subsequent Meter Reading.

### How

It is proposed that where a Meter Reading is not present following 1<sup>st</sup> April in the Formula Year (t) t-6 it is proposed that the Transporter would calculate an estimated Meter Reading for the Code Cut Off Date i.e. this would be 1<sup>st</sup> April in Formula Year t-3. For example, if by 31<sup>st</sup> March 2018 a Meter Reading has not been received after 1<sup>st</sup> April 2012 an estimated Meter Reading would be calculated with an effective date of 1<sup>st</sup> April 2015.

## 2 Governance

### Justification for Self-Governance Procedures

The Proposer believes that the modification is unlikely to affect;

- Existing or future gas consumers; and
- The operation of one or more pipe-line system(s); and
- Matters relating to sustainable development, safety or security of supply, or the management of market or network emergencies; and
- The uniform network code governance procedures or the network code modification procedures;

In addition, the modification ensures parity between different classes of parties to the uniform network code/relevant gas transporters, gas shippers or DN operators

### Requested Next Steps

This modification should:

- be subject to self-governance
- be assessed by a Workgroup

This modification is required to be implemented ahead of the application of data migration to the new UK Link System as part of Project Nexus Implementation.

### 3 Why Change?

The iGT UNC sets out the requirements for Meter Reading submission. There is a population of approximately 3,000 Supply Meter Points for which a Supply Meter is recorded on the Supply Point Register as installed but a Valid Meter Reading has not been accepted since 1<sup>st</sup> April 2010. The iGT UNC does not contemplate a circumstance where a Supply Meter remains unread for prolonged periods of time.

The Transporter Agency has been working with the industry through the Data Cleansing Workgroup to encourage Shipper Users to submit Valid Meter Readings for Supply Meters where the last recorded Meter Reading is many years old. An equivalent exercise is recommended to be undertaken by iGTs and Shippers.

The Project Nexus arrangements implemented under UNC Modification 0432 introduces individual meter point reconciliation for all Supply Meter Points. The reconciliation process requires the use of certain data for the relevant period, e.g. Annual Load Profiles, etc. To efficiently implement and operate the UK Link system, iGT data is being captured and prepared in accordance with UNC0467 Project Nexus – ‘iGT Single Service Provision data preparation’; with a maximum 7 years’ data being migrated to the new system (the remaining data will be archived). Therefore where a Supply Meter has not been read within the last 7 years, no Meter Reading will be migrated to the new register and therefore there will be no Meter Reading recorded against which an Individual Meter Point Reconciliation can be performed when the next post-Nexus Meter Reading is accepted.

During development of UNC 0576, the Workgroup requested that the estimated Meter Reading takes account of the Weather Correction Factor, consistent with the revised approach defined in UNC TPD Section H 2.2.1. This was introduced in Modification 0432, which will be implemented at Project Nexus Implementation Date. This is intended to be applied for both the transitional and enduring calculation processes.

The UNC Workgroup also proposed that Meter Readings submitted as part of the AQ Amendment process (pre-Nexus) are considered in order to calculate the estimated Meter Read as part of the transitional process.

### 4 Code Specific Matters

#### Technical Skillsets

Members of the iGT UNC Modification Workgroup, as representatives of their organisations are best placed to understand any impacts that this modification may introduce to their respective businesses. No technical skillsets are expected to be required to assess this proposed modification.

#### Reference Documents

UNC Modification 0576 – ‘Generation of an estimated Meter Reading at the Code Cut Off Date in the absence of an actual Meter Reading’ Which has been approved by UNC Panel and has subsequently been implemented, should be considered when reviewing this modification.

## 5 Solution

Where a Meter Reading is not recorded on the Supply Point Register following the 1<sup>st</sup> April in Formula Year t-6 it is proposed that the Transporter would calculate an estimated Meter Reading as at the Code Cut Off Date – i.e. this would be 1<sup>st</sup> April in Formula Year t-3. An example of this is that if by 31<sup>st</sup> March 2018 a Meter Reading has not been received after 1<sup>st</sup> April 2012 an estimated Meter Reading would be inserted with an effective date of 1<sup>st</sup> April 2015 (being the relevant Code Cut Off Date).

This would be an enduring process. However, the solution would be initially applied as part of migration to the UK Link system incorporating the Project Nexus requirements. In this respect transitional terms are required.

- The estimated Meter Read shall take account of the Weather Correction Factor consistent with the revised approach defined in UNC Section H 2.2.1 as introduced in Modification 0432 to be implemented at the Project Nexus Implementation Date. This shall be applied for both the transitional and enduring calculation processes.
- Where Meter Readings have been submitted during the AQ Amendment process these shall be considered as candidate readings, along with other Valid Meter Readings, from which to perform the Meter Reading estimation on the target read date.
- Valid Meter Readings and/or AQ amendment Meter Readings available before the target read date and AQ amendment Meter Readings available after this date shall be used to interpolate the estimated Meter Reading if possible, otherwise it will be necessary to extrapolate backwards or forwards from the available Meter Reading to determine the estimated Meter Reading.
- In circumstances where no record of a Meter Reading is available a Meter Reading of all zeroes would be recorded.
- Shipper Users may seek to replace any estimated Meter Reading with an actual Meter Reading provided that the estimated Meter Reading is within the period of that User's Supply Point Registration.

It is assumed that these Supply Points would be within the same User's ownership. This is because in absence of a Valid Meter Reading an estimated Meter Reading would have been inserted where a Change of Shipper User event had occurred.

The solution would be initially applied as part of migration to the UK Link system incorporating the Project Nexus requirements. In this respect transitional terms are required to provide for an estimated Meter Reading to be determined at the prevailing Code Cut Off Date (3 - 4 years prior to the Project Nexus Implementation Date).

## 6 Impacts & Other Considerations

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

This Modification is required to support implementation of the UK Link Replacement programme (which incorporates the changes required for Project Nexus) as it assists transition to and maintenance of the requirements set out in the Nexus Business Requirement Documentation.

#### Pre Project Nexus Implementation

The changes would affect the UK Link Replacement programme prior to implementation. This is because the approaches identified within this Modification are necessary to efficiently migrate data to the target system.

#### Project Nexus Implementation

The changes identified within this Modification would be applicable on an enduring basis.

#### Significant Code Review

No impacts have been identified relating Ofgem's SCR

### Consumer Impacts

None Identified

### Environmental Impacts

None Identified

## 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) Co-ordinated, efficient and economic operation of<br>(i) the combined pipe-line system; and/or<br>(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:<br>(i) between relevant shippers;<br>(ii) between relevant suppliers; and/or<br>(iii) between DN operators (who have entered into transportation agreements 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   | Impacted          |
| (G) Compliance with the Regulation and any relevant legally binding decisions of the European Commission and/or the Agency for the Cooperation of Energy Regulators  | None              |

This Modification would further GT Licence relevant objective d) 'Securing of effective competition between relevant Shippers and relevant Suppliers'. This would be by enabling Transporters to

insert an estimated Meter Reading for affected Supply Meters. In turn this would enable Individual Meter Point Reconciliation to take place at a Supply Meter Point when a subsequent Meter Reading is received, in doing so Transporters would be able to allocate consumption to the correct Shipper User.

Some UNC Workgroup participants consider this Modification would facilitate the implementation of the UK Link Replacement programme (including the arrangements identified within Project Nexus UNC Modifications 0432, 0434 and 0440) allowing the transition from current systems and processes to the new versions. The measures identified can therefore be expected to facilitate relevant objective f) 'Promotion of efficiency in the implementation and administration of the Code. However, others felt this Modification was proposed to manage a system limitation/requirement and therefore did not further this relevant objective.

## 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.

## 9 Legal Text

### Text Commentary

#### GENERATION OF AN ESTIMATED METER READING AT THE CODE CUT OFF DATE IN THE ABSENCE OF AN ACTUAL METER READING

##### Notes

1. This table is based on the draft legal text contained in Modification 0576 Workgroup report published on the Joint Office website on 07 June 2016.
2. Modification 0576 relates to the generation of an estimated Meter Reading at the Code Cut Off date in the absence of an actual Meter Reading.

| TPD Section M<br>(Supply Point<br>Metering) | Topic                                   | Explanation   |
|---|---|---|
| New paragraph<br>5.4.5                      | Valid Meter<br>Reading not<br>submitted | States that if a Valid Meter Reading has not been submitted for a Read Date in the period from 1 April in Formula Year (t-6) to 1 April of the current Formula Year (t), then paragraph 5.4.6 shall apply (unless a Transporter estimated Meter Reading has already been calculated). |

|                        |                            |   |
|------------------------|----------------------------|---|
| New paragraph<br>5.4.6 | Estimated Meter<br>Reading | States that the Transporter shall calculate an estimated<br>Meter Reading for a Read Date of 1 April Formula Year (t-3)<br>( <b>Code Cut Off Date</b> ) in accordance with TPD Section<br>M5.4.1(b) (which relates to the estimation of Metered |
|------------------------|----------------------------|---|



|   |  |   |
|---|--|---|
|   |  | <p>Volume for Class 1 and Class 2 Supply Meters) and TPD Section M5.4.2 (which relates to the estimation of Metered Volume for Class 3 and Class 4 Supply Meters).</p> <p>For the purposes of the estimated Meter Reading calculations, where a Valid Meter Reading was submitted for a Read Date in Formula Year (t-7) the estimate shall be made in respect of the period from the Read Date of the last Valid Meter Reading to the Code Cut Off Date. Where no such Valid Meter Reading was submitted, the estimated Meter Reading shall be zero.</p>  |
| New 5.16.2                                | Updated Meter Reading                            | States that a User may submit an Updated Meter Reading to replace the Transporter estimated Meter Reading.  |
| <b>TD Part IIF (Nexus Implementation)</b> | <b>Topic</b>                                     | <b>Explanation</b>  |
| New paragraph 7.8.1                       | Valid Meter Reading not submitted                | States that if on the Nexus Implementation Date a Valid Meter Reading has not been submitted in the period from 1 April in Formula Year (t-6), paragraph 7.8.2 shall apply.   |
| New paragraph 7.8.2                       | Estimated Meter Reading                          | <p>States that the Transporter shall calculate an estimated Meter Reading for a Read Date of 1 April Formula Year (t-3) (<b>Code Cut Off Date</b>) in accordance with paragraph TPD Section M5.4.1(b) (which relates to the estimation of Metered Volume for Class 1 and Class 2 Supply Meters) and TPD Section M5.4.2 (which relates to the estimation of Metered Volume for Class 3 and Class 4 Supply Meters).</p> <p>For the purposes of the estimated Meter Reading calculations, the estimate shall be made in respect of the period from the Read Date of the last Valid Meter Reading prior to 1 April Formula Year (t-6) to the Code Cut Off Date. Where no such Valid Meter Reading was submitted, the estimated Meter Reading shall be zero.</p> |
| New paragraph 7.8.3                       | Notification of User Provisional Annual Quantity | States that where, prior to the Nexus Implementation Date, a User submitted Meter Readings in accordance with TPD G.1.6.5 (notification of User Provisional Annual Quantity) the Transporter may use the Meter Readings to calculate a more accurate estimated Meter Reading.   |

### [Suggested] Text

*The legal representative will provide the Text (to be inserted into Code) with instructions for the Code Administrator. The Text can be published alongside the main document.*

## 9.1 TRANSPORTATION

### PRINCIPAL DOCUMENT SECTION M –

#### SUPPLY POINT METERING

Re-number existing paragraph 5.4.5 as paragraph 5.4.7 and insert new paragraphs 5.4.5 and 5.4.6 to read as follows:

"5.4.5 Where on 1 April in any Formula Year (t):

- (a) a Valid Meter Reading has not been submitted for a Supply Meter for a Read Date; and
- (b) the Transporter has not determined an estimated Meter Reading in accordance with paragraph 5.4.6 for a Read Date,

in the period from (and including) 1 April in Formula Year (t – 6) paragraph 5.4.6 shall apply.

5.4.6 Where this paragraph applies the Transporter shall determine an estimated Meter Reading for the Supply Meter for a Read Date of 1 April in Formula Year (t – 3) in accordance with paragraph 5.4.1(b) or 5.4.2 for which purposes:

- (a) where a Valid Meter Reading was submitted for a Read Date in Formula Year (t-7) the estimate shall be made in respect of the period from the Read Date of the last such Valid Meter Reading to 1 April in Formula Year (t-3);
- (b) where no such Valid Meter Reading was submitted for a Read Date in Formula Year (t-7) the estimated Meter Reading shall be zero."

Re-number paragraphs 5.16.2 and 5.16.3 as 5.16.3 and 5.16.4 and insert new paragraph 5.16.2 to read as follows:

"5.16.2 A User may submit an Updated Meter Reading to replace a Transporter estimated Meter Reading determined in accordance with paragraph 5.4.6 provided each of the requirements in paragraph 5.16.1 are satisfied."

In addition, the following legal text has been added to the UNC Transition Document relating to Project Nexus Implementation.

#### PART IIF – NEXUS IMPLEMENTATION

Add new paragraph 7.8 to read as follows:

#### 7.8 Estimated Meter Readings

7.8.1 Where on the Implementation Date a Valid Meter Reading has not been submitted for a Supply Meter in the period from (and including) 1 April in Formula Year (t – 6) paragraph 7.8.2 shall apply.

7.8.2 Without prejudice to paragraph 7.8.3, where this paragraph applies the Transporter shall

determine an estimated Meter Reading for the Supply Meter for a Read Date of 1 April in Formula Year (t – 3) in accordance with paragraph TPD Section M5.4.1(b) or 5.4.2 for which purposes:

- (a) the estimate shall be made in respect of the period from the Read Date of the last submitted Valid Meter Reading (prior to 1 April in Formula Year (t-6)) to 1 April in Formula Year (t-3);
- (b) where no such Valid Meter Reading has been submitted the estimated Meter Reading shall be zero.

7.8.3 For the purposes of paragraph 7.8.2, where prior to the Implementation Date a User submitted Meter Readings for the purposes of TPD Section G1.6.5 (as applying prior to such date) the Transporter may use such Meter Readings for the purposes of determining a more accurate estimate for the purposes of paragraph 7.8.2.

## 10 Recommendations

### Proposer's Recommendation to Panel

Panel is asked to:

- Self-Governance
- Refer this proposal to a Workgroup for assessment.

## 11 Appendix 1

N/A