





iGT UNC Request	At what stage is this document in the process?
<h1>RG006:</h1> <h2>Review of metering arrangements in the IGT UNC</h2>	<div>01 Request</div> <div>02 Workgroup Report</div> <div>03 Final Modification Report</div>
<p>Purpose of Request:</p> <p>This review group is to review the way metering is incorporated into the IGT UNC to assess if the drafting in the IGT UNC and the way it links to the Metering Charges Statements is fit for purpose or requires amendments to deliver consistency and to ensure the IGT UNC remains robust.</p>	
	<p>The Proposer recommends that this request should be assessed by a Workgroup</p> <p>This request will be presented by the Proposer to the Panel on 22nd March 2019.</p>
	<p>High Impact:</p> <p>None identified</p>
	<p>Medium Impact:</p> <p>Pipeline Operators, Pipeline Users</p>
	<p>Low Impact:</p> <p>CDSP,</p>

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About this document:

This document is a Request, which will be presented by the Proposer to the panel on 22nd March 2019.

The Panel will consider the Proposer's recommendation and agree whether this Request should be referred to a Workgroup for review.



Any questions?

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1 Request

Why is the Request being made?

Back in 2009 E.ON sponsored modification IGT022; this modification was seeking to remove reference to the Metering Charges Statement from the IGT UNC, this was subsequently withdrawn because IGTs had developed a baseline/boilerplate contract approach but there was little or no uptake from Suppliers for metering contracts at that time so no alternative was developed.

Link to IGT022 (<https://www.igt-unc.co.uk/wp-content/uploads/2018/01/iGT022-Metering-Charges-Statement.pdf>).

The IGT UNC has provisions for metering within the code and since the IGT 022 change was withdrawn we have seen a divergence in the approaches across the IGTs e.g. some have moved away from using the IGT UNC as the baseline/boilerplate opting to enter into commercial agreements, where others have extended the charging statements to cover the same attributes as those with commercial agreements but still see the IGT UNC as the baseline/boilerplate.

These differing approaches are not clearly codified with the IGT and open to differing interpretation leading to it being potentially ambiguous for new entrants and existing parties. We recognise the IGT UNC delivers the starting point and Shippers/Suppliers can choose to utilise this or to enter into bilateral arrangements but the IGT UNC needs to ensure a clear, consistent and deliverable starting point for all.

The entering into commercial agreements has circumnavigated the ambiguous code drafting as it supersedes the baseline/boilerplate. Although it addresses the ambiguity for those parties directly it doesn't address any governance issues which may remain because the ambiguous drafting remains. An example of this is – Section D 3.2(a) lists attributes which are provided in the Metering Charges Statement, this does not explicitly reference early/premature replacement charges but most charging statements have a section for these. If these charges are recognised to be part of the baseline/boilerplate it needs (as a proposer's view) to be referenced in 3.2(a).

Another example of ambiguous related drafting is the process to be followed where a CoS has occurred and the new Shipper/Supplier no longer wants to work with the current provider, it is clearer in the MAMCoP and RGMA what processes can be followed to remove and return the asset but the IGT UNC doesn't have this rigor which has resulted in different interpretations on what steps parties can follow to either contract for the asset or remove and return but then it is unclear what charges are going to be associated in these scenarios.

When comparing Metering Charges Statements there are different elements within the charging statement and also the way the information is sourced e.g. all IGTs have different templates, different attributes and some are available on their websites where others are upon request only. We see this divergence in approach for Metering Charges Statements which are meant to be codified as inconsistent and something which needs to be reviewed and standardised. As per above attributes listed in 3.2(a) are what are expected to be within the charging statements and as standard each IGT should list these in a consistent way e.g. using the terms as referenced. Should IGTs wish to include more attributes these should be via 3.2(a) then this needs to be transparently cascaded to parties so they can either access the term changes, consider replaying the baseline/boilerplate with contractual arrangements or seeks a new provider.

Currently invoicing for some elements as set out in Metering Charges Statements are directly invoiced via the RPC Invoice Template e.g. pence per day rental, with other elements of the Metering Charges Statement managed by bespoke invoices outside of the IGT UNC. For those which have contractual agreements this is expected but for those who are using the IGT UNC as the baseline/boilerplate it is inconsistent in approach and is not codified creating a hybrid between approach codified and none codified. We are not seeking to change the RPC Invoice Template but potentially creation of a clearer approach to what is being invoiced as part of the IGT UNC which could be as simple as an additional paragraph in the current invoicing ancillary document, but we welcome review group discussions on this.

The delivery of Project Nexus and Single Service Provision (SSP) introduced alignment between the processes followed by Large and Small Transporters but it didn't deliver any metering alignments. The evolution of the Retail Gas Metering Arrangements (RGMA) in the Supply Point Administrative Agreement (SPAA), as well as the merging of the Meter Asset Manager Code of Practice (MAMCoP) under SPAA governance has seen significant changes in the landscape of the overall metering model. It is therefore practical to conduct a review of the IGT UNC approach in line with changes which are coming as part of the Retail Energy Code (REC).

The IGT UNC website hosts an RGMA document which is an extract which has been compiled to be the IGTs version of the RGMA deliverables for IGTs who are also a MAM. This is not a recognised codified document and is just hosted on the webpage. It is owned and maintained by the IGTs. This is confusing governance because the RGMA product and is a SPAA deliverable with a document hosted on the IGT UNC webpage (which is not signposted from the SPAA website). This introduces complexities because it is not clear in the IGT UNC what links to this document to confirm it is the baseline/boilerplate. RGMA is clearly a baseline and anything additionally agreed is commercially delivered where the IGT UNC doesn't have this clarity.

Overall this leaves us with the issues to review:

- 1) The IGT UNC doesn't clearly articulate metering obligations which is causing different interpretations of what metering agreements are in code for the baseline/boilerplate
- 2) There are inconsistencies in the items which are included within the Metering Charging Statements and how the information is presented resulting in different approaches between IGTs
- 3) There are no invoicing mechanisms for metering attributes other than pence per day rental where the IGT UNC baseline/boilerplate is followed
- 4) IGTs have created their own RGMA document – should this be included on the IGT UNC website

It would be sensible to ensure that IGT UNC governance relating to metering arrangements including the Meter Charging Statements and the non-codified RGMA document on the IGT UNC website are clearly and robustly articulated with clear codified links to the other arrangements.

Scope

The scope of this review is focussed around the problem statements outlined in the 'why the request is being made' – below questions and point of clarity have been added:

- 1) The IGT UNC doesn't clearly articulate metering obligations which is causing different interpretations of what metering agreements are in code for the baseline/boilerplate
 - a) Do IGTs and Shippers believe that the IGT UNC should contain metering obligations?
 - i. If yes, is the current drafting robust enough
 - ii. if no, where should the information be relocated to or is it already covered in existing obligations
 - b) If the obligations remain what do the IGTs expect to be contained within the IGT UNC?
 - c) If the obligations remain what do the Shippers expect to be contained within the IGT UNC?
- 2) There are inconsistencies in the items which are included within the Metering Charging Statements compared to the items listed in Section D 3.2(a) and how the information is presented resulting in inconsistencies between IGTs
 - a) Do the IGTs and Shippers believe that the IGT UNC should contain Metering Charges Statements?
 - b) If the obligations remain what items should be listed in the baseline/boilerplate Metering Charges Statement?
 - c) If the obligations remain should there be a baseline/boilerplate template for the Metering Charges Statement or just a list of attributes which can be included in Section D 3.2(a)?
 - d) If the obligations remain how and when should updates to the Metering Charges Statements be cascaded? E.g. website or email cascading by the IGT
 - e) If the obligations remain where should the Metering Charges Statements be hosted?
- 3) There are no invoicing mechanisms for metering attributes other than pence per day rental for the IGT UNC baseline/boilerplate
 - a) Do the IGTs and Shippers believe that the IGT UNC should invoice all elements of the Metering Charges Statements?
 - b) If the obligations remain how will the invoicing think to the items in the Metering Charges Statement?
 - c) If the obligations remain will the invoicing be incorporated into the RPC template or will a new template be created?
- 4) IGTs have created their own take RGMA – should this be included on the IGT UNC website
 - a) Do the IGTs and Shippers believe that the IGT UNC should host the IGT approach towards RGMA?

- 5) Depending on the outcome to the review of the issues raised make recommendations on next steps.

Recommendations

The key objectives are:

- Should the IGT UNC continue to contain metering requirements
- If yes, review the drafting and ensure it is robust for the current market
- If not recommend option(s) on the way forward via a modification

Additional Information

NA

2 Impacts and Costs

Consideration of Wider Industry Impacts

Initially costs are associated to participating in the review, should the outcome be there is no requirement for change then the costs will be relating to the review only.

Should the review outline that changes are to be made then costs will be associated to each recommendation in the sizing of the change as small, medium, large etc. Currently if the governance remains as-is impacts could be none or low, however should it be recognised that new requirements and invoice templates are needed in code this could be medium or large change. Associated costs would differ and can/will be assessed as the workgroup runs, unless the workgroup believes no charges are required then only costs for workgroup related activities e.g. attendance and investigations would apply.

Impacts

Impact on Central Systems and Process	
Central System/Process	Potential impact
UK Link	<ul style="list-style-type: none"> • No current impact expected as RGMA flows are already rooted to UK Link where applicable and any introduction of new processes or invoicing would be exclusive to the IGT UNC. Unless further analysis provides further information.
Operational Processes	<ul style="list-style-type: none"> • No current impact anticipated as no impacts to UK Link expected.

Impact on Users	
Area of Users' business	Potential impact

Impact on Users	
Administrative and operational	<ul style="list-style-type: none"> Should the workgroup believe that all drafting is robust and accurate no additional changes to administrative or operational processes would be required. Should the workgroup identify that drafting is not robust or accurate and amendments are required then changes would be required potentially to legal text, invoice formatting and general working practices. Should the workgroup identify the removal of the obligations as the recommended action further assessments on the impacts are required.
Development, capital and operating costs	<ul style="list-style-type: none"> Should the workgroup believe that all drafting is robust and accurate no additional changes to administrative or operational processes would be required. Should the workgroup identify that drafting is not robust or accurate and amendments are required then development and operating costs could be required to deliver things e.g. invoicing amendments and operational process changes to evolve with the chosen solution (subject to mod approval). Should the workgroup identify the removal of the obligations as the recommended action further assessments on the impacts are required.
Contractual risks	<ul style="list-style-type: none"> Should the workgroup believe that all drafting is robust and accurate no additional changes to administrative or operational processes would be required. Should the workgroup identify that changes are required it could cause contractual discussions, the IGT UNC Review Group is to focus on the baseline/boilerplate agreement only, anything bespoke would be via bilateral discussions between the IGT (Pipeline Operator) and the Shipper (Pipeline User). Should the workgroup identify the removal of the obligations as the recommended action further assessments on the impacts are required.
Legislative, regulatory and contractual obligations and relationships	<ul style="list-style-type: none"> Should the workgroup believe that all drafting is robust and accurate no additional changes to administrative or operational processes would be required. Should the workgroup identify that changes are required it could cause regulatory changes within the IGT UNC and clearer articulation of the requirements between parties. Should the workgroup identify the removal of the obligations as the recommended action further

Impact on Users	
	assessments on the impacts are required.

Impact on Transporters	
Area of IGT business	Potential impact
System operation	<ul style="list-style-type: none"> Should the workgroup believe that drafting is robust then there wouldn't be any impact on system operation. Should the workgroup identify that changes are required then system operation maybe impacted for things like invoice generation. Should the workgroup identify the removal of the obligations as the recommended action further assessments on the impacts are required.
Development, capital and operating costs	<ul style="list-style-type: none"> Should the workgroup believe that drafting is robust then there wouldn't be any impact development or operating costs. Should the workgroup identify that drafting is not robust or accurate and amendments are required then development and operating costs could be required to deliver things e.g. invoicing amendments and operational process changes to evolve with the chosen solution (subject to mod approval). Should the workgroup identify the removal of the obligations as the recommended action further assessments on the impacts are required.
Recovery of costs	<ul style="list-style-type: none"> Should the workgroup identify/recommend the need for change then any cost recovery will be determined/developed.
Price regulation	<ul style="list-style-type: none"> I is not expected that price regulation discussions would be required through this review.
Contractual risks	<ul style="list-style-type: none"> Should the workgroup believe that all drafting is robust and accurate no additional changes to administrative or operational processes would be required. Should the workgroup identify that changes are required it could cause contractual discussions, the IGT UNC Review Group is to focus on the baseline/boilerplate agreement only, anything bespoke would be via bilateral discussions between the IGT (Pipeline Operator) and the Shipper (Pipeline User). Should the workgroup identify the removal of the obligations as the recommended action further assessments on the impacts are required.

Impact on Transporters	
Legislative, regulatory and contractual obligations and relationships	<ul style="list-style-type: none"> Should the workgroup believe that all drafting is robust and accurate no additional changes to administrative or operational processes would be required. Should the workgroup identify that changes are required it could cause regulatory changes within the IGT UNC and clearer articulation of the requirements between parties. Should the workgroup identify the removal of the obligations as the recommended action further assessments on the impacts are required.
Standards of service	<ul style="list-style-type: none"> Should the workgroup believe that all drafting is robust and accurate no amendments to the standards of service are required. Should the workgroup identify that changes are required then a review of how the changes link to standards of service would need to be completed. Should the workgroup identify the removal of the obligations as the recommended action further assessments on the impacts are required.

Impact on Code Administration	
Area of Code Administration	Potential impact
Modification Rules	<ul style="list-style-type: none"> No impacts anticipated
iGT UNC Panel	<ul style="list-style-type: none"> No impacts anticipated
General administration	<ul style="list-style-type: none"> Should the workgroup believe that all drafting is robust and accurate no amendments to general administration are required. Should the workgroup identify that changes are required then a review of how the changes general administration would need to be completed. Should the workgroup identify the removal of the obligations as the recommended action further assessments on the impacts are required.

Impact on Code	
Code section	Potential impact
Legal text references to Metering Charges Statements and any metering impacting clauses re invoicing	<ul style="list-style-type: none"> Should the workgroup believe that all drafting is robust and accurate no amendments to code are required. Should the workgroup identify that changes are required then a review of how the changes code would need to

Impact on Code	
	<p>be completed.</p> <ul style="list-style-type: none"> Should the workgroup identify the removal of the obligations as the recommended action further assessments on the impacts are required.

Impact on iGT UNC Related Documents and Other Referenced Documents	
Related Document(s)	Potential impact
References to Metering Charges Statement	<p><i>“Metering Charges Statement” means the document if any issued from time to time by the Pipeline Operator which is not the Transportation Statement and which sets out the Pipeline Operator’s charges (if any) for the provision of Supply Meters and other services related to Supply Meters;</i></p> <p><i>“Supply Meter” shall have the meaning in Part D1.2(b);</i></p> <p><i>the "Supply Meter" is the meter comprised in the Supply Meter Installation;</i></p> <p><i>1.2 For the purposes of the Code, in relation to a Supply Meter Point: (a) the "Supply Meter Installation" is the meter and associated equipment and installations installed or to be installed at a Consumer's premises, including associated pipework, regulator, filters, valves, seals, housings and mountings. A Supply Meter Installation includes any convertor (where installed pursuant to the Gas (Calculation of Thermal Energy) Regulations 1996) and Transporter Daily Read Equipment;</i></p> <p><i>D3.2 (a) – (a) subject to paragraphs (d) and (e) and to Clauses 3.4 and 6.1, the Pipeline Operator will be responsible for securing (at its cost but subject as provided in this paragraph (a)) (on behalf of the Registered User) the installation (in accordance with Clause 2.2), maintenance, repair, exchange and replacement of the Supply Meter Installation or relevant part thereof provided by the Pipeline Operator, within a reasonable time after a request to do so and subject to payment of the charges (if any) in respect of the same provided for in the Transportation Statement or in the Metering Charges Statement;</i></p>

Impact on iGT UNC Related Documents and Other Referenced Documents

	<p><i>G6 - Value Added Tax</i></p> <p><i>All amounts expressed as payable by a Pipeline User or the Pipeline Operator pursuant to the Code, and whether the amount thereof is set out in the Code or determined by reference to the Transportation Statement or Metering Charges Statement or otherwise, are exclusive (unless expressly otherwise stated) of any applicable Value Added Tax (and accordingly Value Added Tax shall be paid by the paying party where payable in respect of any such amount).</i></p>
	<ul style="list-style-type: none"> •

Other Impacts

Item impacted	Potential impact
Security of Supply	<ul style="list-style-type: none"> • No impacts anticipated
Operation of the Total System	<ul style="list-style-type: none"> • No impacts anticipated
Industry fragmentation	<ul style="list-style-type: none"> • No impacts anticipated

3 Terms of Reference

Background

As outlined in the above report this review group request looks to discuss and assess if the drafting of metering in the IGT UNC and the way it links to the Metering Charges Statements is fit for purpose or requires amendments to deliver consistency and to ensure the IGT UNC remains robust.

Topics for Discussion

- Understanding the objective of the review group. This is exclusive to the five areas outlined in the scope of the document;
- Assessment of the most appropriate solution following discussions of the areas of concern;
- Development of Solution (including business rules if appropriate);
- Assessment of potential impacts of the Request on the IGT UNC;
- Benefit of alignment with UNC; and

Outputs

Produce a Workgroup Report for submission to the Modification Panel, containing the assessment and recommendations of the Workgroup including a draft modification where appropriate.

Composition of Workgroup

The Workgroup is open to any party that wishes to attend or participate.

A Workgroup meeting will be quorate provided at least two Transporter and two User representatives are present.

Meeting Arrangements

Meetings will be administered by Gemserv and conducted in accordance with the Code Administration Code of Practice.

4 Recommendation

The Proposer invites the Panel to:

- **DETERMINE** that Request 006 progress to Workgroup for review.