

Final Modification Report		At what stage is this document in the process?
<h1>IGT142 (Urgent):</h1> <h2>Allow Users to submit Estimated Meter Reading during COVID-19</h2>		<div style="display: flex; flex-direction: column; gap: 5px;"> <div style="border: 1px solid #ccc; padding: 2px; display: flex; align-items: center; gap: 5px;">01 Modification</div> <div style="border: 1px solid #ccc; padding: 2px; display: flex; align-items: center; gap: 5px;">02 Workgroup Report</div> <div style="border: 1px solid #ccc; padding: 2px; display: flex; align-items: center; gap: 5px;">03 Draft Modification Report</div> <div style="border: 1px solid #ccc; padding: 2px; display: flex; align-items: center; gap: 5px; background-color: #f4a460;">04 Final Modification Report</div> </div>
<p>Purpose of Modification:</p> <p>Allow Pipeline Users to submit Estimated Meter Readings as Actual Meter Readings for Non-Daily Meter sites during COVID-19 “lock-down”.</p>		
	<p>Panel consideration is due on 14th May 2020. <i>(delete as appropriate following Panel’s decision)</i> The Panel recommends implementation</p>	
	<p><i>(delete as appropriate following Panel’s decision)</i> The Panel does not recommend implementation</p>	
	<p>High Impact: Shippers</p>	
	<p>Medium Impact: N/A</p>	
	<p>Low Impact: CDSP</p>	

Contents		?	Any questions?
1	Summary	3	Contact: Code Administrator
2	Governance	3	
3	Why Change?	3	 igTUNC@gemse rv.com
4	Code Specific Matters	4	 020 7090 1044
5	Solution	4	Proposer: Steve Mulinganie
6	Impacts & Other Considerations	4	
7	Relevant Objectives	5	 steve.mulinganie@gazprom-energy.com
8	Implementation	6	
9	Legal Text	7	 0799 0972568
10	Consultation	7	Systems Provider: Xoserve
11	Panel Discussions	13	 UKLink@xoserve.com
12	Recommendations	13	Other: Gareth Evans (WWA)
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Timeline			
The Proposer recommends the following timetable:			
Modification sent to Ofgem	4 May 2020		
Ofgem Decision on Urgency	5 May 2020		
Consultation Commences (3 Business Day consultation)	6 May 2020		
Consultation Close-out for representations	12 May 2020		
Final Modification Report available for Panel	13 May 2020		
Modification Panel recommendation	14 May 2020		
Ofgem Decision	15 May 2020		

1 Summary

What

Currently Users are unable to submit estimated Meter Readings other than estimated Proposing User Estimate Opening Meter Readings, on the assumption that shippers will either be able to obtain meter readings through site visits, or from customers. Where such readings are not available, then the UNC requires that meter reads are obtained by the transporters under the must-read process.

As a result of the COVID-19 pandemic, routine site visit activity has ceased. In addition, many sites are unoccupied as the premises are closed, and their customers are unable to obtain meter readings. Indeed, they may be potentially breaking the law if they attempt to do so.

Though many sites are known to be not consuming gas, it is not possible under the terms of the UNC to provide estimated meter readings. These means that these sites are not being reconciled to their true consumption.

Why

Since the COVID-19 Lockdown has been enforced there have been impacts on gas usage at individual sites, including actual usage deviating significantly from the AQ. Because of the lockdown there is also increased likelihood of a failure to procure accurate reads due to unavailability of meter readers, restricted access due to closed premises, and limited opportunity to take corrective measures with respect to faulty AMR.

Shippers therefore require a mechanism to ensure that sites that are currently inaccessible can register an estimate reading that is more representative of actual consumption to avoid the material impacts of incorrect allocation based on AQ that are no longer representative of consumption,

How

This Modification proposes that Users are permitted to submit estimated Meter Readings for Non-Daily Metered Supply Meter Points during the COVID-19 pandemic.

In order to incorporate these changes into the IGT UNC it is proposed that a new clause is added to Part K (General). This clause would point across to the newly created section of the UNC Transition Document (namely Part VI – COVID-19 – Temporary Measures).

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2 Governance

Justification for Urgency

This Modification recognises that there is a need to allow shippers to provide estimated meter readings as it is not possible to rely on existing meter readings processes.

Many properties are currently lying vacant as a result of the COVID-19 pandemic and it is potentially illegal for these sites to be visited by customers to retrieve meter readings. Also, any sites with remote

meter reading capability cannot be visited to fix any read issue. Without a mechanism to allow estimated meter readings to be provided as a result of the COVID-19 pandemic, many sites will not be reconciled for a considerable period and Aqs will not be recalculated. Shippers are therefore not being cashed out of positions, tying up significant amounts of collateral at a time where cashflows are being negatively affected by the unexpected reduction in gas demand. This therefore needs to be addressed urgently to allow these organisations to survive through the duration of the COVID-19 pandemic.

This needs to be added to the IGT UNC so maintain uniformity and consistency with the UNC.

Requested Next Steps

This modification should:

- be treated as urgent and should proceed as such under a timetable agreed with the Authority

3 Why Change?

Since the COVID-19 Lockdown has been enforced there have been unexpected impacts on gas usage at individual sites, including actual usage deviating significantly from the AQ. Because of the lockdown there is also an increased likelihood of a failure to procure accurate reads due to unavailability of meter readers, restricted access due to closed premises, and limited opportunity to take corrective measures with respect to faulty AMR or Smart Metering. Shippers, therefore, require a mechanism to ensure that sites that are impacted from the COVID-19 pandemic can register an estimated reading that is more representative of actual consumption and promptly generate a reconciliation of the allocated energy.

Without implementation, many sites will not be reconciled for a considerable period of time.

4 Code Specific Matters

Technical Skillsets

None

Reference Documents

None

5 Solution

This Modification proposes that Users should be permitted to submit estimated Meter Readings for Non-Daily Metered Supply Meter Points where justified in doing so as a result of the COVID-19 Pandemic.

Business Rules

1. Users may submit an Estimated Meter Reading as an Actual Meter Reading where in the User's reasonable estimate, no Actual Meter Reading can be obtained as a result of coronavirus (as defined in the Coronavirus Act 2020).
2. An Estimated Meter Reading must reflect as closely as possible the site's estimated consumption for the period covered by the meter reading, in the User's reasonable opinion.

3. User must keep records of how any Estimated Meter Readings were derived for a period of 2 years.

Currently the IGT UNC does not directly refer to the UNC Transitional document and there has been no precedent set to point across to this section,, therefore, there is a need to create a new section within the IGT UNC to accommodate these changes. Part K (General) of the IGT UNC includes procedures and guidance around Force Majeure and so would be the most appropriate section to include temporary COVID-19 arrangements. This would also ensure that any removal of the text post COVID-19 would be simple and would leave the remainder of the IGT UNC unchanged. A new clause 45 would be introduced to point over to the new UNC Transitional Document (namely Part VI – COVID-19 – Temporary Measures) section at a high level, capturing all additions to this section therein.

6 Impacts & Other Considerations

Does this modification impact a Significant Code Review (SCR) or other significant industry change projects including the Retail Energy Code, if so, how?

None

Central Systems Impacts

This modification does not implement changes to systems or processes, but rather utilises an existing process for extenuating reasons. Xoserve has provided the following notes:

- *It is not proposed to amend UK Link systems in so far that Shipper Generated Estimate would still not be acceptable for Non-Opening, and Replacement Meter Readings. The solution proposed is that Users should submit their estimated Readings as Actual Meter Readings.*
- *Note, there would be no way of identifying that such Meter Readings were not Actual Meter Readings.*

Consumer Impacts

Though customer consumption is not being truly represented in the system, we expect that customer billing will continue on estimated readings, so no direct impact on customers.

Environmental Impacts

None.

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 (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 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	None
(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 delivers objective D as allowing Shippers to provide Estimated Meter Readings during the COVID-19 pandemic will allow sites to be reconciled and Aqs to be recalculated. This will improve the accuracy of gas allocations and hence cost targeting and so further competition.

8 Implementation

In accordance with authority direction.

9 Legal Text

Part K

45 Coronavirus (COVID-19) – Temporary Measures

45.1 For the purposes of this Clause 45 the provisions of part VI of UNC Transition Document shall apply:

Part M (definitions)

“Coronavirus or COVID-19” shall have the meaning ascribed thereto in the UNC;

10 Consultation

Panel invited representations from interested parties on 6th May 2020. The summaries in the following table are provided for reference on a reasonable endeavours basis only. We recommend that all representations are read in full when considering this Report. Representations are published alongside this Final Modification Report.

Representations were received from the following parties:

Organisation	Response	Relevant Objectives	Key Points
Opus	Support	D - Positive	<ul style="list-style-type: none"> We support this proposal that Users are permitted to submit estimated Meter Readings for Non-Daily Metered Class 3 and 4 Supply Meter Points during the COVID-19 pandemic because Shippers require a mechanism to ensure that sites that are currently inaccessible can register an estimated reading that is more representative of actual consumption. We agree that this Modification should not be subject to self-governance. We believe this proposal is positive for Relevant Objective (d) and that this mod will have process impacts. We support the implementation of this mod however, we are conscious that the development of this proposal has been rapid with little opportunity for industry to analyse all potential consequential impacts that may need to be mitigated. For instance, there has been no opportunity to understand how the provisions would operate if parts of GB (e.g. geographic regions or specific industries) were still under COVID measures or COVID measures currently in force were lifted and then reinstated under the same powers. We believe that the Legal text requires definition of

			<p>the Relevant Period that the modification would apply from and when it would end. It is unclear at what stage/trigger, other than the end of the Government's COVID-19 provisions would necessitate removal of this section from the Code. We agree that Shippers should be required to maintain a record of the basis on which estimates have been calculated for a period of two years following the end of the Relevant Period.</p> <ul style="list-style-type: none"> • Lastly the PAB may need to establish working groups to ensure that any potential unintended consequences of this temporary solution are mitigated.
E.ON	Qualified Support	Inconclusive answer	<ul style="list-style-type: none"> • Although the IGT UNC modification is essentially creating a link to the UNC requirements, we have responded in a way that outlines our UNC concerns as well. <p>The solution outlined in this modification and UNC 0722 creates the mechanism to allow estimated readings as actuals, although theoretically could assist in the short term by introducing adjustments to the period. There are likely to be knock-on impacts to demand estimation modelling and therefore, could have unintended consequences which would be difficult to unpick and could have unforeseen ramifications in future years modelling as the made-up estimates will be unidentifiable.</p> <p>Our preference would be for the values to remain flagged as an estimate when submitted; otherwise, all actual readings received during lockdown will have to be discounted in demand modelling to avoid distortion from the made-up actuals.</p> <p>After the lockdown period, we are concerned this could result in erroneous charges ending up in the domestic part of the market.</p> <ul style="list-style-type: none"> • We support that this Modification should be subject to an authority decision and we expect the Authority to decide on both the UNC and IGT UNC modifications together. • We believe there would be impacts on costs to update systems to enable the creation of the estimate for sending. Without further detail we would initially size this as a small to medium level change.

			<ul style="list-style-type: none"> • In regard to the legal text we agree, IGT UNC will need to ensure that the definition relating to relevant period is also linked to the IGT UNC should IGT142U be approved as only UNC 0721 currently contains that definition. • As the modification is presented we do not agree that the relevant objective has been met. • If approved, we agree that the implementation could be immediately after approval. With both the IGT UNC and UNC dates aligned.
Scottish Power	Support	D - Positive	<ul style="list-style-type: none"> • We support this modification allowing users to submit estimated meter readings as actuals for Non-Daily Metered sites and this will align with UNC0722 Modification raised. However, within our response to UNC 0722, we requested clarity on the points below: Clarification on how the estimated reading should be calculated – Will there be a defined criteria/calculation. Confirmation of how the estimated readings will be identified - is this going to be a set condition/marker? Is there going to be an allowance for the customer to supply an estimated reading. Reconciliation post Covid-19 - Which read would be used for reconciliation following Covid-19? • We agree that as the Modification should be proceed under urgent status and that this modification has positive impacts on the proposed relevant objectives. • It is agreed that the implementation date should be as Ofgem have suggested and that the legal text is sufficient.
Npower	Oppose	Does not support any relevant objectives	<ul style="list-style-type: none"> • We understand the intent of this Modification is to ensure that shippers have a mechanism for estimating consumption at sites where there have been changes in usage as a result of COVID-19. However, we have a number of concerns about this proposal: How can accuracy of estimation and consistency across shippers be ensured? Will a blanket x% reduction be made, and will estimation happen at a site level based on customer provided information? Would these reads needs to be

			<p>flagged so they were not used in future post covid19 or post Lockdown AQ calculations or how will they be considered? We consider that submitting estimates now will lead to a whole host of problems as the reads will be based on the current AQ when many sites are on lockdown and could have reduced consumption. That will potentially cause negative consumption rejections on actual reads when these start up again.</p> <ul style="list-style-type: none"> • As we oppose this modification, we do not agree with the relevant objectives and we have no comment in regard to the legal text. • We agree that this should not be a self-governance modification and that the implementation should It be approved by the Authority could occur immediately.
Indigo	Support	D- positive	<ul style="list-style-type: none"> • We feel this is an appropriate and proportionate response to the issue of not being able to obtain accurate meter readings during the current pandemic. The proposer acknowledges that the solution provides no way of identifying that a reading was actually a Shipper estimate rather than an Actual reading, however it would be easy to assume that they are reading was an estimate if taken during the Lockdown period. It is agreed that the modification be subject to an authority decision and that this impacts on the relevant objective (D). • It is agreed that this modification has no further impacts on cost and that this would need to be implemented quickly after Authority approval. There would be no system changes required by the IGT so implementation could be immediate. • We are not satisfied with the legal text as we were unable to locate the 'UNC Transition Document' referred to in the Modification.
ESPUG	Qualified Support	D- Positive	<ul style="list-style-type: none"> • We broadly support this modification but caveat that there is an issue to be considered regarding the interplay of the estimated meter reads and the must-read process. This is elaborated further in our response. • While we support the use of estimated meter readings given the current environment, these should not override existing obligations that are in place for safety reasons.

			<ul style="list-style-type: none"> • Care must therefore be taken that this issue is addressed appropriately prior to implementation. Prolonged estimation of meter reads could lead to the difference between actual usage and estimated usage expanding materially over time. Additionally, the lack of actual meter reads contains the risk that a faulty meter is not found and redressed. • We agree with the proposer that this modification should be subject to Authority decision and that Relevant Objective D is positively impacted due to the reasons provided. • We agree that implementation should follow the timeline provided by the Authority upon approval and that we would not face any direct costs if this modification is implemented. • Lastly, we agree that the proposed legal text will deliver the intent of the modification.
NGN	Support	D- Positive	<ul style="list-style-type: none"> • We support the use of this solution where the submission of a consumer provided read is not a viable option. The proposal should further Relevant Objective d) Securing of effective competition by allowing Pipeline Users to submit Estimated Meter Readings in instances where an Actual Meter Reading is unable to be obtained due to the COVID-19 period restrictions, thus allowing reconciliation and AQ calculations to continue as normal and ensuring allocations are as accurate as possible, and should also ensure consistency with Large Transporter sites. • We would hope that the Performance Assurance Committee (PAC) could introduce monitoring of uptake and effectiveness of this modification. We would also encourage there to be additional monitoring as to the volume and timing of actual reads being received after the end of the relevant COVID-19 period.
BUUK	Qualified support	D- Positive	<ul style="list-style-type: none"> • BUUK supports the principle of this modification proposal. However, we have the following concerns: <ol style="list-style-type: none"> 1. The legal text, which refers to defined terms within the UNC Transition Document, is dependent upon UNC 0721 being approved, 2. Whilst we agree with the intent of the ability for Users to submit estimated reads, we have

			<p>concerns that they will not be distinguished from actual reads, potentially causing long-term issues,</p> <p>3. We would like to understand better why Users require the ability to both submit estimated reads and to change an AQ (proposed modification IGT141U).</p> <ul style="list-style-type: none"> • It is agreed that this modification should not be subject to self-governance and the intent of the modification proposal meets relevant objective D. • Lastly, we do not believe that this modification will incur any impacts on cost and that this modification will not need a lead time to implement. • We are not satisfied with the legal text as we believe that there is a risk that, should UNC 0721 be rejected, the legal text will not include the relevant defined terms. For example, Relevant Period and Relevant Regulations.
PFP Energy	In support		<ul style="list-style-type: none"> • I would like to confirm that PFP Energy fully support the modification listed below. Without addressing AQ in the COVID-19 period it will have unintended consequences for gas balancing and gas reconciliation. IGT142U – Allow Users to submit Estimated Meter Reading during COVID. • We would like to raise a concern relating to this only applying to EUC Codes 2 through 9 that have not been Isolated. EUC code 1 and Isolated sites are not included to make the process manageable for the CDSP, which we see as an issue as many business sites fall into the EUC code 1 category. We expect this will impact across many suppliers. • We have no comments in regards to the implementation, legal text and impacts.

In summary:

- Nine responses were received to the consultation for IGT142;
- Five respondents offered full support for the modification with three offering Qualified Support. One respondent did not support this modification;
- Six parties agreed that the modification had a positive impact on relevant objective (D) and one respondent did not believe the mod met the relevant objectives. One respondent noted that there could

be a negative impact on the Relevant Objectives dependant on the solution of the UNC modification, however, noted that this could be mitigated if their suggestions were met;

- All respondents agreed that implementation should not be subject to a lead time and should be implemented immediately; and
- With regards to the proposed legal text, four respondents expressed views that they would like definitions to be defined within the IGT UNC and that it was not sufficient enough to point over to the UNC for these.

11 Panel Discussions

The Code Administrator will provide a summary of the Panel discussions that inform any decisions taken. This will include a record of Panel's views on the representations, the outcome of any votes and, where alternates exist, Panel's preference.

Discussion

Insert text here

Consideration of the Relevant Objectives

Insert text here

Determinations

Insert text here

12 Recommendations

Panel Recommendation [to Authority]

Members recommended:

- that Modification 142U should [not] be implemented

The Code Administrator may set alternative subheadings appropriate to the specific Code.

Insert subheading here

Insert text here