

IGT UNC 22-06 Modification Workstream Meeting

Draft Minutes

Thursday 9th June 2022 via Teleconference

Attendee	Initial	Organisation	Notes
Anne Jackson	AJ	Gemserv	Chair
Kundai Matiringe	KM	BUUK	
Heather Ward	HW	Energy Assets	
Michelle Brown	MB	Energy Assets	
Clare Manning	CM	E.ON	
Cher Harris	CH	Indigo Pipelines	
Oorlagh Chapman	OC	Centrica	Proposer (IGT159)
Claire Roberts	CR	Scottish Power	
Ellie Rogers	ER	Xoserve	Present for item 5 only
Jaimee LeResche	JL	Xoserve	Present for items 1-5 only
Martin Attwood	MA	Xoserve	Present for item 5 only
Talia Lattimore	TL	Gemserv	Code Administrator
Sandra Fawzy	SF	Gemserv	Code Administrator

1. Welcome and Apologies for Absence

The Chair welcomed attendees to the meeting and accepted apologies received from Lee Greenwood (British Gas).

2. Confirmation of Agenda

The Chair confirmed the items for discussion as outlined in the Final Agenda and asked attendees for 'Any Other Business' (AOB) items. HW added two items:

1. the Ofgem letter dated 1st June - *Consent for recovery of gas transportation charges bad debts arising from failed gas Shippers* (see item 9 below); and
2. Interpretation of Part L Section 27.2 of the IGT UNC - Modification Implementation (see item 10 below).

3. Approval of the Previous Minutes 22-05

The Code Administrator (CA) informed the Workgroup that no comments were received for the draft 22-05 Modification Workstream meeting minutes prior to the meeting. The Workgroup had no comments to add to the Minutes at the meeting and they were approved as a true and accurate record of the meeting.

4. Outstanding Actions

The CA informed the Workgroup that there were three outstanding actions:

22-05/01 Rachel Clarke (RC) to inform PAC of the discussions held by the Workgroup on unidentified gas and issues around non-communicating Smart Meters being excluded from the Must Read process. AJ informed the Workgroup that RC has advised the Performance Assurance Committee (PAC) of the discussions held by the Workgroup on unidentified gas and issues around non-communicating Smart Meters being excluded from the Must Read process. A result further PAC are looking into the known issues around Smart Meter communications. It was agreed that this action would be considered closed.

22-05/02 OC to approach the Faster Switching Team to find out if there are any mitigations in place for customers switching frequently under the new regime and the impact that may have on settlement. See item 5. It was agreed that this action would be considered closed.

22-05/03 Add Must Read issue (IGT159) to Known Issues Register. IGT159 has been added to the Known Issues Register. It was agreed that this action would be considered closed.

5. [IGT159 - Amendments to the Must Read Process](#)

The Chair notified the Workgroup that a draft Amended Modification Proposal for IGT159 had been submitted as a late paper, which the Workgroup agreed to accept as a late paper. The Chair reminded the Workgroup that IGT159 had been discussed in detail in the last Workgroup meeting and today's meeting would be a continuation of that discussion.

Solution

OC notified the Workgroup that the Business Rules had been updated and Xoserve had an opportunity to comment on the rules and the following observations of part of the Business Rules were made:

Business Rule: IGTs cannot charge for a read that it is submitted more than 20 Supply Point System Business Days (SPSBDs) after being obtained

TL highlighted a comment provided by Xoserve which indicated that the current validation window for reads to be accepted into settlement is 25 SPSBDs and that the Modification proposes that IGTs submit reads for the Must Read process within a 20 SPSBD window with the remaining 5 days being used to address the validation or any issues with invalid reads or obtaining any further information needed etc.

ER explained that the current system will reject a read that is submitted 25 days after it has been obtained and that changes to this system to reduce this window could be complex, noting that it would require a change in UK Link system to update the read validation window only for Must Reads. OC explained in their experience that reads are not being prevented from going through the process after

25 days from it being obtained, therefore the current validation activities of the system are not working as suggested.

OC stated that if a read is obtained but not submitted within the required window and/or not validated the customer should not be charged for that. CH highlighted that this may weaken the incentive for the IGTs to take part in the Must Read process as IGTs may be at risk of not being able to recover their costs. The IGTs use agents to obtain the reads, the reads are then validated (by both the agents and the IGTs) and then the reads are manually inputted into the Contract Management System (CMS). CH notified the Workgroup that the shorter the window to get this process done the more difficult it becomes and the incentive to participate in the process is compromised if IGTs risk not being able to recover their costs. The Workgroup accepted that the 25 day window for this process was not a known rule by all the IGTs.

MA notified the Workgroup that the intention of the Must Read process is to ensure that a read is obtained when there has not been a read submitted for a long period of time. MA felt that the 25 day period is an important rule but understood that there is an issue with Shippers paying for a Must Read if it is submitted outside of the 25 day window and cannot be utilised which is currently happening.

MA informed the Workgroup that the Must Read process is automated in that the reads come in via the CMS and are then automatically passed into UKLink. Reads submitted outside of the 25 day rule are rejected. Any reads that are deemed invalid may require manual intervention to address any issues and to get the reads into settlement.

ER explained that changes can be made to the system to accommodate the Business Rules but the Read validation window is the part that they felt may not need to be changed. TL clarified to the Workgroup that two separate windows were being discussed. The first was the submission window, which the business rules set out as being 20 SPSBD, and the second was the validation window, which needed to remain as 25 SPSBDs to allow for the previously discussed 5 day validation. In practice this means that a read can be submitted on day 21 but still be validated and enter into settlement, it simply cannot be charged for after the 20 days.

The Proposer advised the Workgroup that if a read was good enough to enter into settlement then IGTs should be able to charge for the read. The Proposer suggested that the submission window be aligned to the validation window so that any reads submitted withing 25 SPSBDs are chargeable. Other members of the Workgroup agreed with this change. ER added that the 25 SPSBD rule was the standard validation rule. It was suggested that this be pulled out within the business rules. The Chair added that the code text that sets out the standard validation window could also be added into the Amended Modification to further clarify.

Business Rule: The ability to exclude sites, with a known and identified [meter issue] preventing reads being obtained, from the obligations under 'failure to obtain readings' (must read process)

ER questioned whether it was necessary to have a fault flag process incorporated into the Modification and legal text as this is something that should be addressed at a solution level rather than as Code obligations.

The Workgroup discussed non-communicating smart meters and the following points were made:

- there are many reasons why Smart Meters stop communicating (e.g. signal issues) this can sometimes be fixed quite easily and other times it can be more complicated and cumbersome to remedy;
- a customer can give a manual reading which can be used in place of a smart meter reading;
- the Data Communications Company (DCC) are responsible for the communication of the meter;
- as the DCC is responsible for the communication of Smart Meters the resolution of issues will involve Smart Energy Code (SEC) and Retail Energy Code (REC) governance; and
- excluding meters from the Must-Read process due to faults does not offer a solution or timeline for issues to be fixed.

The Chair notified the Workgroup that the Performance Assurance Framework Administrator (PAFA) has reported to PAC that a number of Shipper organisations are having problems with non-communicating meters. PAC's focus is to understand the seriousness and the validity of the meter issues being experienced. PAC are concerned with the effort that is being made to remedy the issues and using the fault flag system has a purpose, but it does not offer a solution. The purpose of the Must-Read process is to maintain settlement accuracy, there are instances where there are readings being obtained but they cannot be used for settlement for various reasons. PAC are in discussion with REC code administrators and the Data Communications Company (DCC) to identify if there are known issues.

TL notified the Workgroup that the current provisions within the IGT UNC allow for data to be provided to PAC where necessary. Furthermore, if IGT138V – Performance Assurance Techniques and Controls gets approved it will reference areas of the UNC which allow for data to be passed across as well. Therefore no change will be required as part of the legal drafting to allow for this. The Chair highlighted that the UNC lists the reports (Performance Assurance Reports Register (PARR) Reports) that are available to PAC.

The Chair reminded the Workgroup that the purpose of the Must-Read process is to obtain more accurate settlement and that the Workgroup should not lose sight of that matter when discussing IGT159.

The Workgroup agreed that the Business Rules and the legal text remain brief with regards to the ability to exclude sites with a known and identified meter issue. It was agreed that references to a fault flag be removed from the Business Rules as this is a solution level matter rather than a Code obligation.

Business Rule: Exclusion of SMART, AMR and Active DCC sites from the 'failure to obtain readings' obligations (must read process). For avoidance of doubt, this change will align with the current DN treatment of SMART, AMR and Active DCC sites in relation to the 'failure to obtain readings' logic

The Workgroup had a discussion regarding the SMART, AMR and Active DCC definitions in the above rule. The following points were made:

- the UNC does not specify that SMART, AMR or active DCC sites are out of scope of the Must-Read process
- active DCC flag is defined in the UK Link system
- only smart meters can have a DCC flag, AMRs do not
- AMRs are defined in the UNC

In response to ER's comment in the revised modification: 'Suggested updated wording as the prenotification reports are not referenced in IGT UNC as this is an operational process' the Workgroup agreed that the term should be changed to "pre-notification" rather than "notification".

The Workgroup felt that it might be helpful for the Proposer and the CA to consider the definitions in the UNC Modification [UNC0692S - Automatic updates to Meter Read Frequency](#) and the reasons behind the definitions where relevant to this modification.

Business Rule: Where a Shipper has gained a site via the SoLR process, the timeline for the site to trigger the 'failure to obtain readings' logic should be [paused for 4 months] to allow the new shipper the opportunity to obtain a read.

Business Rule: Where there is a CoS event, the timeline for the site to trigger the 'failure to obtain readings' logic should be paused for [4 months] from the point the incoming Shipper obtains the site.

ER suggested wording to cover the requirement to pause the Must-Read process where a site is gained via the SoLR (Supplier of Last Resort)/CoS (Change of Shipper) process and indicated that the enduring timeline to pause the Must-Read process in this scenario needs to be considered and the impact scenarios such as where the process occurs in rapid succession. The Workgroup considered the impact of different scenarios and did not reach any firm conclusions on the how the business rule should be articulated.

The Workgroup agreed that the term should be changed to include 4 months as suggested by Xoserve. It was agreed that the CA and Proposer would insert further information to address if the site is in the SoLR process or if the site is about to go into the process and the different rules that apply to the Must-Read process for particular scenarios.

Business Rule: In any and all cases where a site has been removed from the must read process for 12 months and a read has not been obtained the site will re-join the Must-Read process.

ER suggested that based on the suggested wording above which 'pauses' the Must-Read process for an agreed period of time in a SoLR or CoS event, the 12 months could reduce the 24 month Must-

Read trigger or alternatively increase it further, depending on what triggers the site to re-join the Must-Read process.

The Workgroup agreed this need further consideration and to address it again at the next Workgroup meeting.

ACTION: 22-06/01 OC and Shippers to consider the amount of time before an SoLR site should re-join the Must-Read process.

The Workgroup then moved to consider elements of the Workgroup report.

Current consumer experience

The Workgroup considered the views put forward by the proposer and agreed that the current consumer experience is poor as additional site visits resulting from the current process are causing additional contact and increased costs for consumers. It was suggested that, where a meter is Smart they should be read automatically and therefore the customer may wonder why they are getting site visits, be added in.

The Workgroup noted that cost of living is going up and consumers are willing to provide their own reading for more accurate billing so the level of engagement parties are seeing is increasing.

New consumer experience

The Workgroup agreed that there would be reduced costs being passed through and less unnecessary contact with the customer.

Impact of the change on Consumer Benefit Areas

The Workgroup suggested:

- More accurate settlements could result in reduced costs therefore impacting bills;
- Vulnerable customers could experience less visits which helps with improved safety;
- More joined up working with the Shippers, IGTs and Xoserve; and
- Improved forecasting which could equate to lower bills.

The Workgroup agreed with the impact of change on the consumer benefit areas that the Proposer noted. It was felt that the impact on *improved safety and reliability* was “neutral” rather than “positive” as it was previously thought that meter faults could be reported by the meter reader, however this may not have a significant impact on safety.

Cross Code Impacts

The Workgroup agreed with the Proposer that this Modification is likely to have a possible impact on the UNC (specifically in relation to the operation of UNC Section M – Supply Point Metering) and that it may also impact settlement accuracy and the Retail Energy Code (REC).

The Workgroup added Smart Energy Code (SEC) to the list of impacted Codes, in line with the discussion regarding the Business Rules (see above).

Relevant Objectives

The Workgroup agreed that the Relevant Objectives should be revisited as further thought was needed.

The Proposer stated that the Modification would have a positive impact on Objective D (Securing effective competition) as accurate Must-Read information and updated time frames will promote higher rates of meter read submission and more accurate AQs. Thus, more accurate gas allocation and reconciliation, which will promote competition by reducing a barrier to entry that is currently being created by the high and unexplained levels of UIG.

The Workgroup agreed with the Proposer's statement that it would increase competition between Shippers but not IGTs.

The Workgroup agreed that the Modification has a positive impact on Objective F (Promotion of efficiency in the implementation and administration of the Code) as both the UNC and IGT UNC will be aligned to the 25 SPSBD validation rule. It should also equate in better settlement and efficiency of the rules of the Code.

Implementation

The Workgroup had a discussion about the implementation date and the funding. The following points were made:

- XRN's are developed and progressed as a result of Modifications being raised that require system impacts. XRN's go to the Data Services Contract (DSC) group, the DSC has some role in determining priorities;
- DSC have not informed stakeholders of the upcoming changes in June and it is predicted that IGT159 may need a 6 month lead time
- Xoserve will consider if IGT159 effects the CMS rebuild and this will affect the implementation date review
- Xoserve and IGT UNC's major release dates are in February, June and November
- Xoserve also have minor release dates for implementation of changes with a lower impact
- Xoserve's DSC Change Management Committee review the change proposal with details of the impacts and the funding and costs are considered at this point
- Ofgem should be notified that the length of their time to make a decision could impact the costs
- Xoserve take approximately 10 working days to give an estimation of costs and impacts and the proposed implementation once the final business rules have been agreed

The Workgroup agreed that further consideration needs to be given to the implementation approach and date but that this had to be re-considered once the Workgroup had stabilised the Business Rules and received the Rough Order of Magnitude (ROM) from Xoserve. The Chair advised that if the Business Rules can be put in a more stable state as part of the July Workgroup a ROM can be formally requested from Xoserve at that meeting. ER advised that if they are able to see the updated

Business Rules (stable or not) ahead of that meeting they should be able to kick off discussion internally to get ready for the ROM request. They advised that if they get the stable business rules at the July meeting they should be able to provide the ROM in time for it to be discussed and considered at the August Workgroup meeting.

Legal Drafting

TL and the Proposer will be working on the legal text based on the discussions had at the meeting and the updated Business Rules. It is anticipated that the Legal Drafting will be in a presentable state in time for the July Workgroup meeting.

Next Steps

The Workgroup agreed that the Modification proposal and Workgroup report will be reviewed in the July Workgroup meeting.

6. Cross-Code Modification Implications Tracker

TL took the workgroup through the Cross-Code Modification Tracker and the following Modifications were highlighted:

The IGT UNC equivalent Modification to [UNC0674V - Performance Assurance Techniques and Controls](#) is [IGT138V – Performance Assurance Techniques and Controls](#). IGT138V was due to be tabled at the June Workgroup meeting to ensure that any issues that arose from either the UNC or IGT UNC consultation could be considered and discussed ahead of the June IGT UNC Panel meeting. TL indicated there were no new issues raised as part of either consultation, so it was not brought back to the Workgroup. IGT138V is due to go to the IGT UNC Panel at the end of June and it should remain on a close timeline with the UNC equivalent Modification. There were split views from consultation respondents with regard to UNC0674V and TL recommended that members interested in that Modification review the responses received. This Modification it is due to go to the UNC Panel on 16th June 2022.

The IGT UNC equivalent Modification to [UNC0664VVS - Transfer of Sites with Low Valid Meter Reading Submission Performance from Classes 2 and 3 into Class 4](#) is [IGT145S -Transfer of Sites with Low Valid Meter Reading Submission Performance from Classes 2 and 3 into Class 4](#). Both have been approved, but the implementation date is still pending. The related Xoserve Change [XRN 4990 Transfer of Sites with Low Read Submission Performance from Class 2 and 3 into Class 4 \(MOD0664\)](#) was last discussed at the Xoserve's Delivery Sub-Group (DSG) on 25th April 2022, at that meeting there was no indication of the implementation date meaning the effective date of IGT145S is yet to be confirmed.

The IGT UNC equivalent Modification to [UNC0800 - Introducing the concept of a derogation framework into Uniform Network Code \(UNC\) \(Authority Direction\)](#) is [IGT160 – Introducing the concept of a derogation into the IGT UNC for innovation projects](#). The IGT UNC Panel considered IGT160 on 27th May 2022 and unanimously recommended it to Ofgem for approval. Ofgem published

the Authority decision to approve UNC0800 on 30th May 2022 and it is anticipated that the decision on IGT160 should be received soon.

The Panel considered [IGT161 – Consequential IGT UNC changes for Switching SCR \(REC 3.0\)](#) on 27th May 2022 and unanimously recommended implementation. The Modification was issued to Ofgem for Authority decision on 27th May 2022. The equivalent SCR Modifications have all been approved including the UNC Modification [UNC0804 - Consequential UNC changes for Switching SCR \(REC 3.0\)](#), the decision for which was published on 17th May 2022.

7. [IGT UNC Known Issues Register](#)

TL notified the Workgroup that there were no updates to the Known Issues Register apart from the 'Must Reads issue' associated with IGT159 being added to it.

AOB

8. Recovery of SOLR charges from IGTs XRN4992b (Creation of new charge to recover Last Resort Supply Payments (LRSP))

TL notified the Workgroup that XRN4992b is the XRN which looks into putting in place the necessary system changes for the UNC Modification regarding the creation of charge to recover LRSP.

HW notified the Workgroup UNC Modification [UNC0797 \(Urgent\) - Last Resort Supply Payments Volumetric Charges](#) was implemented on 1st April 2022. It calculated the LRSP recovery charges from customers connected to GDN supply points, which meant that customers connected to IGT supply points were not contributing to the SoLR recovery charge. The proposal from next year is that the calculation will include IGTs supply points, so the IGTs do not need to act on this issue and the costs should eventually be evened out.

In the UNC Modification [UNC0809 - Re-distribution of Last Resort Supplier Payments \(LRSP\) to include IGT sites](#) the legal text has been updated to include IGT CSEP meter points. The Workgroup agreed that UNC0809 should be added to the IGT UNC Modification watchlist.

9. Ofgem letter - Consent for recovery of gas transportation charges bad debts arising from failed gas Shippers

HW notified the Workgroup that Ofgem have consented to IGTs recovering bad debt that was incurred in 2021-22 in their charges for 2023. There was a decision letter that has been published but not been widely circulated. The CA agreed to circulate a copy of the Ofgem letter *Consent for recovery of gas transportation charges bad debts arising from failed gas Shippers* dated 1st June to the IGT UNC mailing list.

There is no indication that this decision has a connection to [IGT132VV – Introduction of IGT Code Credit Rules](#), which is currently with Ofgem and awaiting a decision.

ACTION: 22-06/02 CA to circulate a copy of the Ofgem letter *Consent for recovery of gas transportation charges bad debts arising from failed gas Shippers* dated 1st June to the IGT UNC mailing list.

10. Interpretation of Part L Section 27.2 of the IGT UNC - Modification Implementation

TL notified the Workgroup that at the May Panel meeting there was a discussion regarding implementation lead times and Part L Section 27.2 of the IGT UNC which stipulates the default lead times for implementation for Modifications based on their Governance Route. TL added that due to time a detailed review of the section could not be done in the meeting and there were concerns regarding the Panel's ability to agree extraordinary releases. TL confirmed that the current provisions allow for the Code Administrator, in consultation with parties (i.e. Workgroup and Panel), to agree a release date and timeline outside of the defaults stipulated.

The Workgroup were encouraged to have an awareness of the implementation rules, but to recognise that that they can be subject to the decision of the IGT UNC Panel (considering the views of the Workgroup) and that the default rules can be overridden with a unanimous decision by the Panel. The Chair confirmed that it has been common practice for both the Panel and Workgroup to consider the implementation of Modifications, be it in the standard releases or extraordinary releases and this approach is in line with the provisions of the Code.

The June Panel will be discussing Part L Section 27.2 of the IGT UNC in more detail and Workgroup parties were encouraged to give feedback to their Panel representatives if they had any.

The next Workgroup meeting is scheduled for Thursday 14th July 2022.

Annex A – Action Log

Action reference	Action Description	Owner	Status
WS22-05/01	RC to inform PAC of the discussions held by the Workgroup on unidentified gas and issues around non-communicating Smart Meters being excluded from the Must Read process	CA	Closed
WS22-05/02	OC to approach the Faster Switching Team to find out if there are any mitigations in place for customers switching frequently under the new regime and the impact that may have on settlement.	OC	Closed
WS22-05/03	Add Must Read issue (IGT159) to Known Issues Register	CA	Closed
WS22-06/01	OC and Shippers to consider the amount of time before an SoLR site should re-join the Must-Read process.	OC and Shippers	New
WS22-06/02	CA to circulate a copy of the Ofgem letter Consent for recovery of gas transportation charges bad debts arising from failed gas Shippers dated 1st June to the IGT UNC mailing list.	CA	New