

Draft Modification Report	At what stage is this document in the process?
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IGT168:

Establishing/Amending a Gas Vacant Site Process

01 Modification

02 Workgroup Report


03 Draft Modification Report

04 Final Modification Report

Purpose of Modification:

This Modification seeks to provide Shippers with the ability to effectively manage their Settlement Performance Obligations and Large Transporter Transportation Costs for Vacant sites.


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



This Draft Modification Report is issued for consultation responses at the request of the Panel. All parties are invited to consider whether they wish to submit views regarding this modification.

The close-out date for responses is **18th December 2023**. Responses should be sent to IGTUNC@Gemserv.com. A response template, which you may wish to use, is at the [IGT UNC website](#).


The Panel will consider the responses and agree whether or not this Modification should be implemented.



High Impact:
Shippers and Suppliers



Medium Impact:
N/A



Low Impact:
Distribution Network Operators, Independent Gas Transporters and Consumers

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Timetable		Contact: Code Administrator iGTUNC@Gemserv.com 02070901044 Proposer: Lee Greenwood – British Gas lee.greenwood@britishgas.co.uk N/A

Modification timetable:

Initial consideration by Workgroup	14 th September 2023
Amended Modification considered by Workgroup	-
Workgroup Report presented to Panel	24 th November 2023
Draft Modification Report issued for consultation	27 th November 2023
Consultation Close-out for representations	18 th December 2023
Variation Request presented to Panel	-
Final Modification Report available for Panel (Late Paper)	19 th December 2023
Modification Panel decision	22 nd December 2023

Please note that this timetable should run as close to UNC Modification 0819 as possible

1 Summary

What

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

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

Why

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

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

How

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

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

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

2 Governance

Justification for Normal Procedures

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

Requested Next Steps

This Modification should:

- be considered a material change and not subject to Self-Governance.
- proceed to consultation.

Workgroup Discussions (November 2023)

The Workgroup agree that this Modification should go to Authority decision to follow the equivalent UNC Modification 0819, recognising that the IGT Modification does not have the same impact as IGT Transportation Charging as it does on the GDN Charging.

Panel Discussions (November 2023)

The Panel agreed with the Workgroups view that this Modification should go to Authority decision.

3 Why Change?

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

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

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

4 Code Specific Matters

Technical Skillsets

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

Reference Documents

- [UNC 0819 – Establishing/Amending a Gas Vacant Site Process.](#)
- [UNC 0819 Appendix 1 – Vacant Site Guidance Document.](#)

5 Solution

Establish UNC Modification 0819 - Establishing/Amending a Gas Vacant Site process within the IGT UNC.

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

The detailed solution has been debated within UNC workgroups and can be found on the Joint Office website <https://www.gasgovernance.co.uk/0819>

Workgroup Discussions (November 2023)

The Workgroup agree that the Modification works with UNC 0819 and meets the requirements needed to include IGT supply points within the UNC scheme. The Workgroup agree that the IGT supply points should be included for GDN Transportation relief where appropriate.

IGT Transportation Charges are made up differently from GDN Transportation Charges and IGT Transportation Charges application can only be ceased when a meter is disconnected.

Panel Discussions (November 2023)

The Panel were happy with the Workgroups consideration of the Solution and that it meets the requirements needed to include IGT supply points within the UNC scheme.

6 Impacts & Other Considerations

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

There are no impacts identified on a current SCR.

Consumer Impacts

What is the current consumer experience?

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

What would the new consumer experience be?

More accurate billing.

Impact of the change on Consumer Benefit Areas

Area	Identified Impact
Improved safety and reliability	None
Lower bills than would otherwise be the case	None
Reduced environmental damage	None

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

Cross-Code Impacts

UNC	<input checked="" type="checkbox"/>
REC	<input type="checkbox"/>
Other	<input type="checkbox"/>
None	<input type="checkbox"/>

This Modification relates to UNC Modification 0819

Environmental Impacts

None

Workgroup Discussions (November 2023)

The Workgroup agree with the impacts identified by the Proposer acknowledging that the AQ on which GDN billing is based will be more reflective of the onsite situation.

Panel Discussions (November 2023)

The Panel agreed with the Workgroups views on the impacts identified by the Proposer.

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 <ul style="list-style-type: none"> (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

<p>(D) Securing of effective competition:</p> <ul style="list-style-type: none"> (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
<p>(E) Provision of reasonable economic incentives for relevant suppliers to secure that the domestic customer supply security standards... are satisfied as respects the availability of gas to their domestic customers</p>	None
<p>(F) Promotion of efficiency in the implementation and administration of the Code</p>	None
<p>(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</p>	None

By providing Shippers with the ability to reduce Large Transporter Transportation Costs to reflect real time usage it will ensure that Shippers are not paying for costs that are not applicable, noting that this would be particularly useful to the smaller market participants that might not have access to large amounts of cashflow, therefore promoting Relevant Objective (D) Securing of effective competition:

- (i) between relevant Shippers;
- (ii) between relevant Suppliers.

Workgroup Discussions (November 2023)

The Workgroup agree with the proposers view on Relevant Objective (D) having a positive impact.

The Workgroup acknowledged that there would be additional costs to be added onto the UNC 0819 ROM if the IGT UNC Modification was not implemented. The Workgroup agreed that there is therefore a positive impact on Relevant Objective (F).

Panel Discussions (November 2023)

The Panel agreed with the Workgroups view on the Relevant Objectives.

8 Implementation

The implementation of this Modification should run as close to UNC Modification 0819 as possible.

Workgroup Discussions (November 2023)

The Workgroup agree that this Modification may require an extraordinary release. The Workgroup acknowledged that this Modification is in line with UNC Modification 0819 and XRN5615.

The Workgroup would not wish this Modification to be implemented if the UNC Modification 0819 was not implemented and therefore there is a dependency on the implementation on the UNC Modification.

Panel Discussions (November 2023)

The Panel agreed with the Workgroups views on the implementation approach.

9 Legal Text

The current version of the legal text for this modification can be found on the [IGT168 modification](#) on the IGT UNC website.

Workgroup Discussions (November 2023)

The Workgroup agree that the Legal Drafting meets the requirements of the Solution.

Panel Discussions (November 2023)

The Panel agreed that the Legal Drafting meets the requirements of the Solution.

10 Recommendations

Workgroup's Recommendation to Panel

The Workgroup asks Panel to agree that:

- Agree that Authority Direction should apply
- This Modification should proceed to consultation

Workgroup Discussions (November 2023)

The Workgroup recommend that this Modification should proceed to consultation.

Panel Discussions (November 2023)

The Panel unanimously agreed for this Modification to be sent out for a 3-week consultation.