

**UNC 0652 Workgroup Minutes**  
**Obligation to submit reads and data for winter consumption**  
**calculation (meters in EUC bands 3 – 8)**  
**Tuesday 22 May 2018**  
**at Radcliffe House, Blenheim Court, Warwick Road, Solihull B91 2AA**

**Attendees**

Bob Fletcher (Chair)	(BF)	Joint Office
Karen Visgarda (Secretary)	(KV)	Joint Office
Alex Holbourne*	(AH)	Corona Energy
Benjamin Martin	(BM)	Stark
Carl Whitehouse*	(CW)	First Utility
Chris Warner	(CWA)	Cadent
Fiona Cottam	(FC)	Xoserve
Gareth Evans*	(GE)	Waters Wye Associates
George MacGregor	(GMA)	Utilitia
John Welch	(JW)	npower
Kathryn Turner*	(KT)	Good Energy
Kirsty Dudley	(KD)	E.ON
Louise Hellyer	(LH)	Total Gas & Power
Luke Reeves*	(LR)	EDF Energy
Mark Bellman	(MB)	Dataserve UK
Mark Jones*	(MJ)	SSE
Mark Palmer*	(MP)	Orsted
Mark Perry	(MPe)	Xoserve
Mark Rixon	(MR)	Engie
Martin Attwood	(MA)	Xoserve
Rebecca Knight	(RK)	E.ON Energy
Sallyann Blackett	(SB)	E.ON

\* *via teleconference*

Copies of all papers are available at: <https://www.gasgovernance.co.uk/0652/220518>

**1. Introduction and Status Review****1.1. Approval of minutes (22 March 2018)**

The minutes of the previous meeting were approved.

**2. Consideration of Amended Modification**

John Welch (JW) confirmed that he had now amended the Modification and had changed the status from Self-Governance to Authority Direction as Panel determined it could have a material impact on competition as a result of more accurate energy allocation. He also confirmed he had now removed the following text in relation to the percentages as detailed below:

*'with an estimated impact of £9 million to allocation. This risk was initially quantified in the 'Gas Market Settlement Risk Quantification' report produced through Modification 0506. This risk was based on an estimated level of 25% of relevant sites having a default EUC band, essentially the same level as that which is being reported now. This risk has since been circulated in the industry towards the end of 2017 (along with other settlement risks) as part of the Performance Assurance Framework Administrator's (PAFA) consultation on the Performance Assurance Committee (PAC) settlement risk register.'*

He confirmed the present solution was still applicable and 'fit for purpose', as had been defined previously.

Fiona Cottam (FC) provided an overview of the WAR Band Analysis presentation, that had previously been presented and discussed in the Performance Assurance Committee Meeting in March 2018.

FC provided a brief overview of the WAR Band Schematics (Please see presentation on the meeting page - *WAR Band Analysis*) <https://www.gasgovernance.co.uk/0652/220518>

FC explained that the charts illustrated the breakdown of AQ in the different WAR bands in Classes 3 and 4 as at 01 March 2018 and 01 May 2018. She added that there was a chart for each EUC band 3-8 showing the percentage of portfolio in each WAR band by shipper short code (anonymised) and that each chart shows the top 10 Shipper short codes by AQ and the rest of the market as a separate series. She noted, that Shipper Ariel was included in the "Rest of Market" series in May 18 due to portfolio movements. She suggested that parties contact Customer Account Managers to help identify which of the codes were associated with parties own organisation.

FC then drew attention as to why the correct WAR Band was important and itemised the reasons as detailed below:

- Large Supply Points have a Winter Annual Ratio – a calculation of how much gas they consume over the winter period compared with the rest of the year. Band 1 is the least weather sensitive, and Band 4 the most.
- The winter consumption ratio governs the site's WAR band. Each EUC band 3-8 has 4 WAR bands and a Bucket. The WAR Band determines how much effect the weather has on a given site's daily allocation.
- If a site is in the Bucket then allocation uses a default weather sensitivity profile based on the EUC AQ thresholds. This means that LSPs without a WAR band could be over or under allocated on a given gas day, the impacts on allocation being most noticeable during summer and winter.
- Inappropriate allocation will result in a contribution of negative UIG (where a site is over-allocated) or positive UIG (where it is under allocated).

FC then provided an brief overview of the summary of the analysis, as below:

- The percentage of energy in the Bucket has increased, on average, by around 0.5% since March 2018.
- Only two of the top ten Shipper Short Code organisations have improved the attribution of sites into WAR bands since March, by around 1% of their total AQ on average.
- Large Supply Point sites should be read monthly. A valid pair of readings in the winter period (November – April) are required to attribute a WAR Band. Where no suitable readings are available, the site will fall into the EUC "Bucket."

FC said that Xoserve had published an information pack to explain the process for calculating a Winter:Annual Ratio and how to provide/update a Winter Consumption.

- The pack can be accessed via Xoserve's UIG page:

<http://www.xoserve.com/index.php/unidentified-gas-uig/>

- (under UIG Information and Useful Links: "WAR Band EUCs Briefing Pack":

<http://www.xoserve.com/wp-content/uploads/EUC-WAR-v1-0.pdf>)

JW then presented the Modification 0652 Potential UNC Solutions document and he apologised for its very late submission. He explained it showed the two potential Solutions a) and b) and he proposed that the text could be inserted into Code in relation to the reporting for the Performance Assurance Committee (PAC).

Please see the link below for the detail of the text and the associated PARR report tables

<https://www.gasgovernance.co.uk/0652/220518>

JW provided a an overview of the proposed content and context of the text and tables which encompassed the areas as listed below:

#### Potential Solution a)

##### *Section M - Supply Point Metering - 5 METER READINGS*

##### *5.1 General*

##### *5.9 Cyclic Reading: Class 4, Smart or Advanced Supply Meters*

*Potential Solution a) – Obligations to submit readings in winter period, and further obligation to submit data update where possible*

#### Potential Solution b)

##### *PARR – Performance Assurance Report Register*

##### *Add report to the PARR*

##### *PAC Report Register WAR bands*

##### *Percentage of meters with Default WAR Band*

##### *Percentage of meter with Default WAR Band – By EUC Band*

A lengthy and protracted general discussion then took place as to whether these areas should be included within the Demand Estimation Methodology as a Code related document, or whether it was in the Code as a broad concept presently, in Section H.

SBI said there was currently an obligation already in the Demand Estimation Methodology in relation to the WAR Bands each year and the profiles calculations. JW said he would further discuss this matter with PAC, as to which tables could be used. He added that regarding the meter reads, that certain sites above 230,000 had to provide reads in November/December and March or April for them to submit the meter read where appropriate. BF said that a new Modification would have to be raised in order to introduce a new PARR report for PAC and he asked how this was likely to be funded. FC said that this would need to be addressed by the Change Proposal process and JW agreed.

A short general discussion took place and it was subsequently agreed that a Change Proposal should be submitted, and that the amended Modification be completed, so the Rough Order of Magnitude (ROM) request could then also be submitted. JW said that in relation to the Legal Text that appropriate text would also need to be inserted in the Section M, in relation to the Read Obligations and Date Frequency together with the Business Rules.

A further lengthy general discussion took place as to how to identify and incentivise those who were continually failing to submit meter reads within the required timeframe for the Product Class they were assigned too. JW and FC said that if this was on the PAC reporting then such parties would be on the radar and would be monitored accordingly. JW said he would discuss these aspects with the PAC, and amend the Modification in-line with the discussions and proposed next steps.

### 3. Consideration of ROM requirements

Not discussed in this meeting.

### 4. Development of the Workgroup Report

Not discussed in this meeting.

### 5. Review of Outstanding Actions

**0301:** To ensure that a Rough Order of Magnitude (ROM) request for 0652 is raised once sufficient information is available.

**Update:** JW confirmed he would amend the Modification accordingly in order for the ROM to be requested alongside the Change Proposal. **Closed**

### 6. Any Other Business

None raised.

### 7. Next Steps

BF explained that his aspirations for the meeting to be held on 27 June 2018, were to review the amended modification, in order for the ROM to be requested and to review the Legal Text, together with completing the Workgroup Report for the Panel submission in July.

None. **Diary Planning**

Further details of planned meetings are available at: [www.gasgovernance.co.uk/Diary](http://www.gasgovernance.co.uk/Diary)

Workgroup meetings will take place as follows:

Time / Date	Venue	Workgroup Programme
10.00 Wednesday 27 June 2018	Radcliffe House, Blenheim Court Warwick Road Solihull B91 2AA	Standard Agenda items <ul style="list-style-type: none"> <li>• Review amended Modification</li> <li>• Review ROM</li> <li>• Review Legal Text</li> <li>• Complete Workgroup Report</li> </ul>

**Action Table (as at 22 May 2018)**

<b>Action Ref</b>	<b>Meeting Date</b>	<b>Minute Ref</b>	<b>Action</b>	<b>Owner</b>	<b>Status Update</b>
0301	22/03/18	1.2	To ensure that a Rough Order of Magnitude (ROM) request for 0652 is raised once sufficient information is available.	Joint Office (CS/BF)	<b>Closed</b>