

UNC Unidentified Gas Workgroup Minutes

Monday 29 April 2019

at Radcliffe House, Blenheim Court, Warwick Road, Solihull B91 2AA

Attendees

Bob Fletcher (Chair)	(BF)	Joint Office
Karen Visgarda (Secretary)	(KV)	Joint Office
Alexander Mann*	(AM)	Gazprom
Andy Clasper	(AC)	Cadent
Anne Jackson	(AJ)	Gemserve
Edd Fyfe*	(EF)	SGN
Emma Smith	(ES)	Xoserve
Fiona Cottam	(FC)	Xoserve
Imran Shah*	(IS)	Centrica (from agenda item 4.0)
James Jackson*	(JJ)	UK Power Reserve – Sembcorp
John Welch	(JW)	npower
Kirsty Dudley*	(KD)	E.ON
Leanne Jackson	(LJ)	Xoserve
Louise Hellyer	(LH)	Total Gas & Power
Luke Reeves*	(LR)	EDF Energy
Mark Bellman	(MB)	Scottish Power
Mark Jones*	(MJ)	SSE
Mark Palmer*	(MP)	Orsted
Megan Coventry*	(MC)	SSE
Rachel Durham*	(RD)	Smartest Energy
Rob Johnson	(RJ)	Waters Wye Associates
Sallyann Blackett	(SB)	E.ON UK
Stephanie Clements	(SC)	Scottish Power

**via teleconference*

Copies of all papers are available at: <http://www.gasgovernance.co.uk/uig/290419>

1. Introduction and Status Review

1.1. Approval of Minutes (8 April 2019)

The minutes from the previous meetings were approved.

1.2. Pre-Modification Discussions

None.

2. Workgroups

2.1. 0664 – Transfer of Sites with Low Read Submission Performance from Class 2 and 3 into Class 4

(Report to Panel 18 July 2019)

<https://www.gasgovernance.co.uk/0664>

2.2. 0672 – Incentivise Product Class 4 Read Performance

(Report to Panel 18 July 2019)

<https://www.gasgovernance.co.uk/0672>

2.3. 0674 – Performance Assurance Techniques and Controls

(Report to Panel 18 September 2019) (Please note this workgroup will be discussed on Monday 20 May, at the dedicated Workgroup meeting))

<http://www.gasgovernance.co.uk/0674>

2.4. 0681S - Improvements to the quality of the Conversion Factor values held on the Supply Point Register

(Report to Panel 20 June 2019)

www.gasgovernance.co.uk/0681

2.5. 0690S – Reduce qualifying period for Class 1

(Report to Panel 15 August 2019)

www.gasgovernance.co.uk/0690

2.6. 0691S - CDSP to convert Class 3 or 4 meter points to Class 1 when G1.6.15 criteria are met

(Report to Panel 15 August 2019)

www.gasgovernance.co.uk/0691

3. UIG Task Force

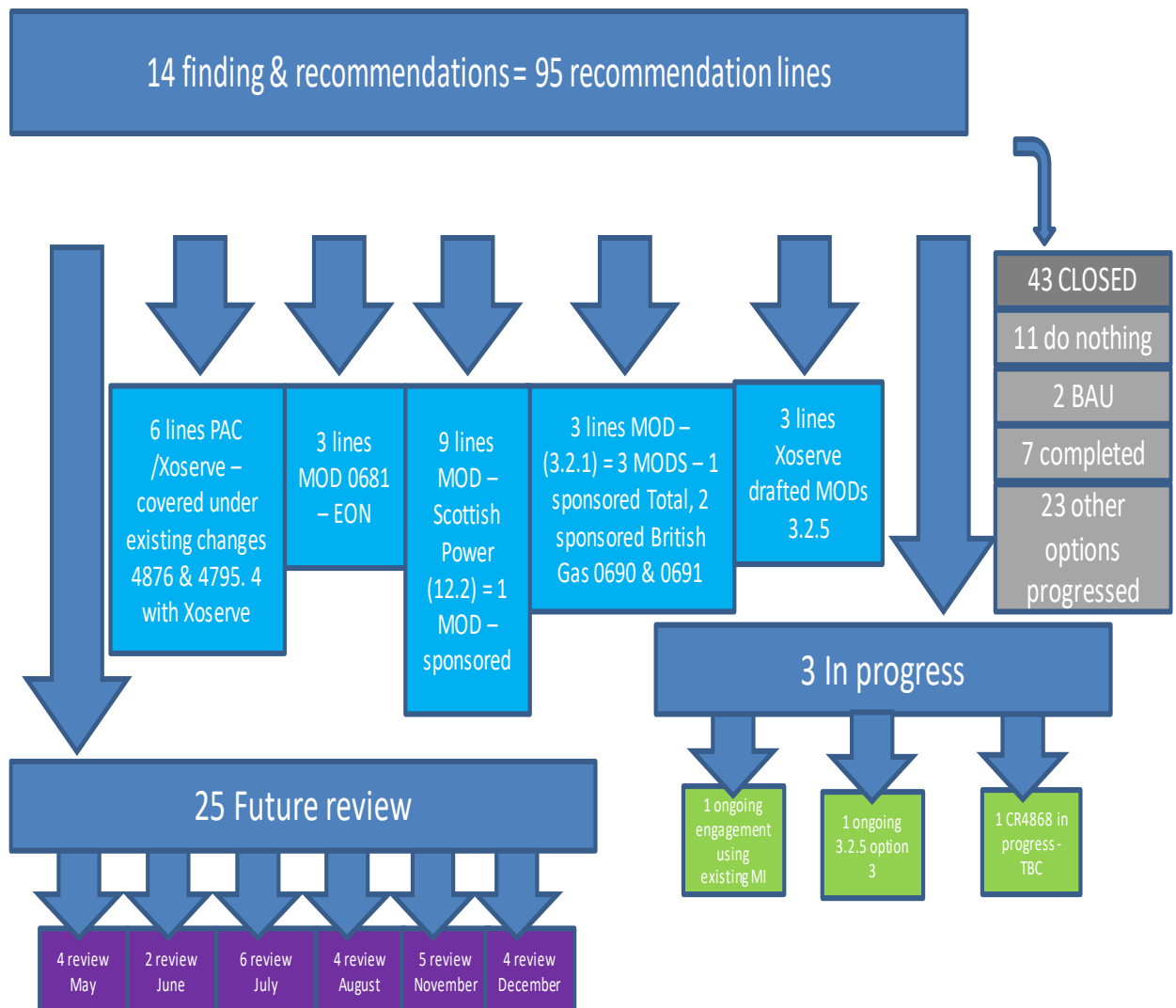
3.1. Review of UIG Task Force Recommendations Tracker

Leanne Jackson (LJ) provided a walkthrough of the latest version of the tracker and provided an update on progress against each of the topics due to be reviewed in May. During the update, the Workgroup agreed that some issues could be closed and changes to the status were shown in red on the tracker including an indication of the date the update was made.

With regards to Option 3. *Review the appropriateness of current Meter Read tolerances – would there be benefit in including seasonal flex to enable more legitimate consumptions to lead during higher usage periods?* LJ agreed to report back on the new statistics for this option.

<p>New Action 0402: Xoserve (LJ) to provide feedback and a report regarding the new statistics in relation to 'Option 3. Review the appropriateness of current Meter Read tolerances – would there be benefit in including seasonal flex to enable more legitimate consumptions to lead during higher usage periods?'</p>
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An updated tracker is published on the Joint Office website with all changes marked in red: (<http://www.gasgovernance.co.uk/uig/290419>)



3.2. Xoserve Draft UNC Modifications

Fiona Cottam (FC) provided a walkthrough of the presentation titled 'Xoserve Draft UNC Modifications Phase 2'. She reminded the Workgroup that the UIG Taskforce had identified a number of recommendations to address the UIG issues which required UNC Modifications, and that these were covered in Phase 2. She then provided a high-level overview of the draft Modifications, options and proposed solutions as detailed below:

Modification XXX: Amend Must Read Obligation For Smaller Supply Points

- UIG Task Force identified 770,000 NDM (Class 3 or 4) sites have not had a meter reading loaded since Project Nexus Go Live (Issue #3.2.5) and therefore no AQ calculation
- Also highlighted that the longer the interval since last meter reading and the AQ calculation, the greater the likely change to AQ which adds to volatility
- Total AQ of these sites is 14bn kWh, 3.1% of total NDM LDZ AQ
- Inaccurate AQs will contribute to daily UIG until meter reads are accepted and reconciliation takes place (this can have a positive and negative impact both of which add to volatility)

- Must Read trigger (M5.10.1) is currently 4 months for Monthly Read and 24 months for Annually Read, should these be reduced
- Although CDSP generates pre-Notifications for SSP sites there is no fall-back process to obtain meter readings where the Shipper has not met the obligation as the DNOs do not carry out Must Reads for SSPs

Recommended option: reduction in Must Read trigger period and/or CDSP operating a “fall-back process” would reduce the number and duration of instances of NDM sites with no valid read

Proposed Solution:

- Suggested measures to improve meter read submission rates for Smaller Supply Points (AQ <73,200 kWh)
- Reduce trigger period for a must read to 15 Months for Annually read sites – currently 24 months
- Transfer obligation to CDSP to obtain a reading – CDSP would establish contracts to obtain readings
- Include a phased programme to obtain all overdue readings at implementation over [12] months

Kirsty Dudley (KD) said that the Shipper Performance Packs regarding SSPs and LSPs needed to become stable and that further discussions were needed on this topic and she said in relation to both of the proposed Modifications, that the impacts of Faster Switching and the movement of responsibilities to Suppliers needed careful consideration. She said that Dave Addison should be consulted on in relation the Legal Text for the Faster Switching regime to determine if the solutions in the draft Modifications were possible.

KD drew attention to the fact the that timelines were required regarding the Retail Energy Code implementation. FC agreed to investigate the Legal Text and the REC impacts.

New Action 0403: Xoserve (FC) to speak with Dave Addison in relation to the Legal Text regarding the Faster Switching programme to clarify there would be no changes to the customer billing processes.

Modification XXX: Change Maximum Meter Read Frequency to 6 monthly

- UIG Task Force highlighted that the longer the interval since last meter reading and AQ calculation, the greater the volatility of AQ (Issue #3.2.5)
- As at March 2019 over 2m Class 4 sites had not had a read accepted on UK Link for over 15 months – total AQ 25bn kWh
- This adds considerable risk to UIG – incorrect AQs and delays to meter point reconciliation
- Over 7m Class 4 sites are flagged as Smart/AMR – and these should already be submitting monthly reads (Modification 0638V)
- The majority of sites are Annually Read, however over 80% are achieving 2 reads per annum – this indicates that a 6 Monthly read frequency is achievable for most sites

Recommendation option: amend the UNC to make the maximum permitted MRF 6 Monthly, and amend the Must Read provisions to align, e.g. 9 or 12 months

Proposed Solution:

- Suggested solution is to amend UNC to make the maximum Meter Read Frequency 6 Monthly
- Amend the Class 4 Must Read trigger to align e.g. to [9] months since last read
- Upon implementation, automate the update of all remaining Annual sites to 6 Monthly within Central systems [after a grace period to allow Shipper updates] – removes workload from Shippers

General protracted discussions took place regarding the proposed solutions of both draft modifications and the content.

FC said that Xoserve had taken a proactive approach and had created the two draft modifications and that sponsors were now required for them. No parties proposed to become sponsors of these two draft Modifications during the meeting.

4. Issues

None.

5. Review of Outstanding Actions

Action 0401: Xoserve (FC) to check the availability of data provided through XRN4806 in order to assess whether data could also be provided for the period from Nexus go live to implementation of the Change Proposal.

Update: FC said that she should be able to produce the data and that the focus was presently on publishing the data on the 8th of each month and that this work was presently being scheduled and so requested this action was carried forward. **Carried forward**

6. Any Other Business

None.

7. Next Steps

Bob Fletcher (BF) said that he had concerns at the number of Modifications that were being raised in relation to the UIG Taskforce issues and that parties needed to be mindful of the time the Modifications will take to proceed through the process and that there should be a qualifying and priority process. He added that another meeting was now required on 20 May 2019 in order to concentrate on Modification 0674, due to the number of Workgroups already presently being considered within the UIG Workgroup as a whole.

Both FC and LC said that presently there was a peak in this regard and that these had been required due the UIG Taskforce analysis and findings. However, BF challenged that this approach should have been planned with priorities being given to those changes with the most significant impact.

BF then summarised the next steps as being, Workgroup to continue consideration of the:

- UIG Taskforce Recommendations Tracker' on an exception basis, and
- Draft UIG UNC Modifications.

8. Diary Planning

Further details of planned meetings are available at: <https://www.gasgovernance.co.uk/events-calendar/month>

Workgroup meetings will take place as follows:

Time / Date	Venue	Workgroup Programme
10:30 Monday 20 May 2019	Radcliffe House, Blenheim Court, Warwick Road, Solihull B91 2AA	Standard Workgroup Agenda including Workgroup 0674
10:30 Tuesday 21 May 2019	Radcliffe House, Blenheim Court, Warwick Road, Solihull B91 2AA	Including Workgroups 0672, 0681S, 0690S and 0691S
10:30 Monday 24 June 2019	Radcliffe House, Blenheim Court, Warwick Road, Solihull B91 2AA	Standard Workgroup Agenda

Action Table (as at 29 April 2019)

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
0401	08/04/19	2.2	Xoserve (FC) to check the availability of data provided through XRN4806 in order to assess whether data could also be provided for the period from Nexus go live to implementation of the Change Proposal.	Xoserve (FC)	Carried forward
0402	29/04/19	3.1	Xoserve (LJ) to provide feedback and a report regarding the new statistics in relation to 'Option 3. Review the appropriateness of current Meter Read tolerances – would there be benefit in including seasonal flex to enable more legitimate consumptions to lead during higher usage periods?'	Xoserve (LJ)	Pending
0403	29/04/19	3.2	Xoserve (FC) to speak with Dave Addison in relation to the Legal Text regarding the Faster Switching programme to clarify there would be no changes to the customer billing processes.	Xoserve (FC)	Pending