

The logo for Xserve, featuring a stylized 'X' composed of two overlapping blue shapes, followed by the word 'serve' in a blue, lowercase, sans-serif font.

xserve

PAC

1st November 2017

Problem Statement

Based on industry engagement and analysis conducted to date, this is Xoserve's understanding of the current UIG issues

Volatility

- The level of UIG is highly volatile on a day by day basis
- There is volatility between nominations and allocations
- There are differing levels of impact across different LDZs and EUCs

Level

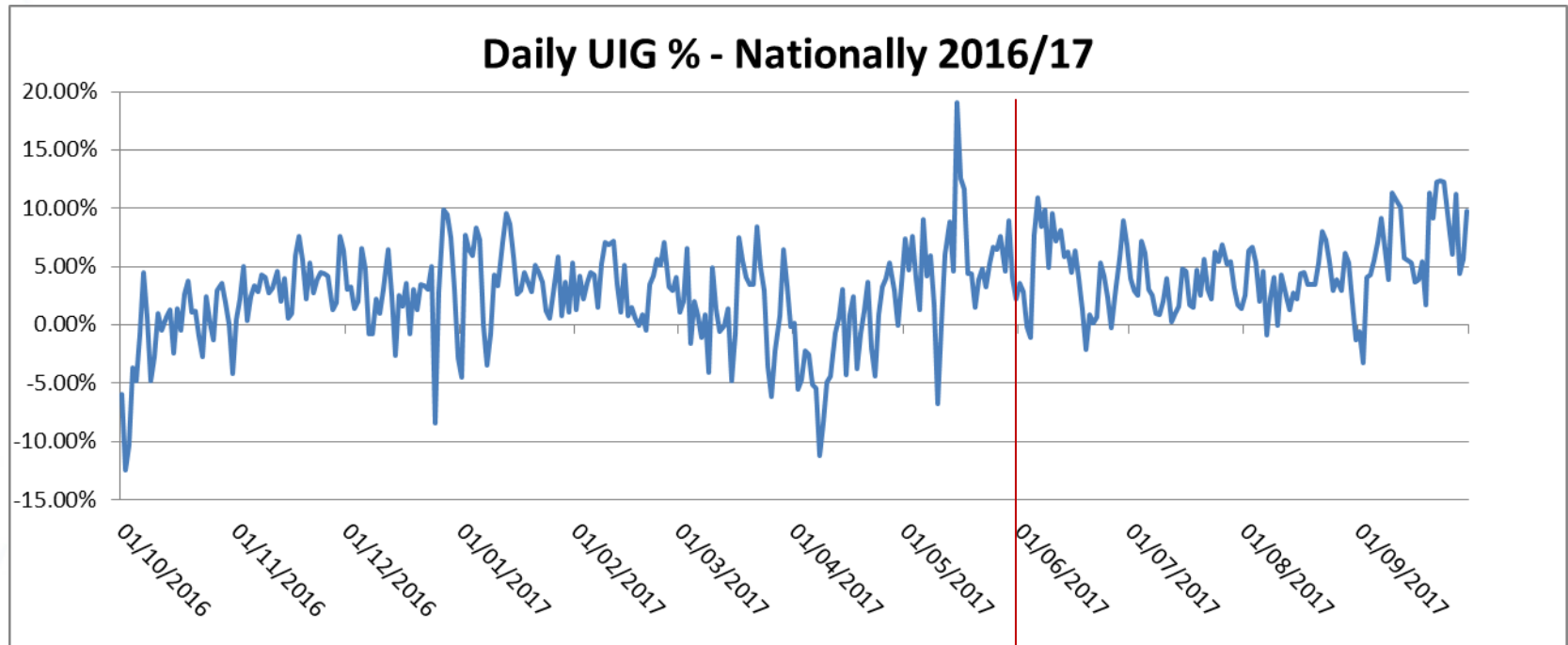
- The overall level of UIG is higher than initially expected post Nexus Go-Live

Predictability

- The calculated UIG values are not predictable
- Based on the analysis to date, there is no obvious recurring pattern or trend

Simulation of UIG for the Whole Gas Year

- UIG was not previously calculated each day – it was included within NDM Allocation
- Simulation of UIG levels for pre-Nexus days shows significant volatility
 - Uses actual LDZ inputs, DM allocations, NDM AQ and actual weather



1st June 2017

Awareness Day: Suggested Actions – Background

- Xoserve UIG Awareness Day held 20/10/17 at suggestion of Performance Assurance Committee
- Objectives: raise awareness of calculations and causes of UIG, also current issues
- Key message: not all known/suspected causes can be quantified, industry co-operation required to address many of the causes
- Outputs: attendees worked in groups to suggest proposed actions to reduce/mitigate UIG going forward
 - See following slides for highest priority suggestions from each group
- Proposed approach – review the suggestions, prioritise, assign owners and determine action plan, data requirements etc

Process Compliance/Improvement

Suggested Action – Slide 1 of 4	Priority/ Forum for consideration
<p>Mandate more frequent read provision Number of Mods already raised: Mods 0594 632 – Smart/AMR 633 – monthly CMA remedy April 2018 monthly reads are mandatory</p>	
<p>Make Class provision of NDM Sample data mandatory Publish data requirements – still voluntary at present Cadent to consider raising a mod to make it mandatory</p>	PAC reporting
<p>Review of DM resynchronisation process</p>	PAC reporting
<p>Review of Shrinkage determination process, including CSEP Shrinkage</p>	Shrinkage Forum
<p>Complete current remedial actions, incl DM project and AQ=1</p>	Existing Xoserve project
<p>Shipper education on end-to-end processes to improve compliance</p>	One-to-one coaching, PAC review
<p>Investigate anomalies in DM estimates in Gemini</p>	Mod 634

Regime changes

Suggested Action – Slide 2 of 4	Priority/ Forum for consideration
Automatic flow of Smart meter data into Allocation/balancing processes Long lead time – 2+ years	Low
Extend D+5 Close-out to, say, D+30 Possibly using Class 3 reads for settlement at D+30	Medium
Remove barriers to use of Class 2 (e.g. ratchets) Mods 619/619A/B	
Revert to old allocation processes – either completely or half way e.g. reinstate Scaling Factor	0631 Workplan

Additional Investigation/Analysis

Suggested Action – Slide 3 of 4	Priority/ Forum for consideration
Analyse NDM Customer behaviour, especially non-weather related BG to share their analysis on the Weather Correction Factor	0631
Analyse suitability of the NDM Bucket EUC profiles	0631
Compare to electricity industry – what levels of losses do they see?	No action
Greater transparency of data – e.g. naming Shippers whose actions/delays are contributing to UIG	PAC
Greater visibility of theft data from other forums	AUGE
Greater visibility of CSEP data e.g. supply point counts	AUGE
More data on unregistered sites	Shipperless/ Unregistered forum
Compare old v new allocations – what does this tell us about the post-Nexus performance? Is the total still correct?	0631
Analyse winners v losers – who is benefitting? All parties are reporting an issue – where is the counterparty? Assess by EUC Band	0631

Conceptual Questions

Suggested Action – Slide 4 of 4	Priority/ Forum for consideration
What level of UIG at D+5 is acceptable to the Industry?	0631
What is the eventual level of UIG at Line-in-the-Sand?	0631
Is there an inherent industry issue if UIG continues at this level?	0631
If this level of UIG continues, how does the industry adapt?	0631
Review of Shrinkage determination process, including CSEP Shrinkage	Shrinkage

Make provision of NDM Sample data mandatory

- Publish data requirements – still voluntary at present
- Cadent to consider raising a mod to make it mandatory

Progress to date (30/10/17) :

Request sent to Shippers 26th October for daily read data relating to their NDM portfolio (by 3rd November if possible)

- No data received to date
- Five Shippers have stated that they do intend to send in data
- Continue to contact remaining Shippers to establish their intent

Review of DM resynchronisation process

Shippers are requesting information on how many DM sites have reconciled in the past year as unreconciled DM sites could be impacting UIG reconciliation

Shipper Education on end-to-end processes

- Shipper education on end-to-end processes to improve compliance
- Xoserve continue to work with Shippers on DM read issues and will be sharing lessons learnt and transferring knowledge to help prevent delays to asset and read updates. More in depth training will be developed if necessary to support this.

Greater Transparency of Data

- E.g Naming shippers whose actions/delays are contributing to UIG
- Xoserve is working with Shippers, DMSP's, GT's and iGT's to resolve the UIG issues through regular conference calls to progress the multiple actions required to reach resolution.

Appendix

Update on current progress

Summary of Erroneous AQ

SCENARIO	SITES	CURRENT AQ	REVISED AQ	DIFFERENCE
CURRENT AQ = 1	169,158	169,158	2,332,003,614	2,331,834,456
CURRENT AQ > 1	59,302	609,418,096	880,876,516	271,458,420
TOTAL	228,460	609,587,254	3,212,880,130	2,603,292,876

Breakdown by LDZ

LDZ	SITES	CURRENT AQ	REVISED AQ	DIFFERENCE
EA	16251	55119064	239804267	184685203
EM	26397	64849649	356838538	291988889
LC	14	1061	162211	161150
LO	5	5	71807	71802
LS	31	40880	406110	365230
LT	20	21501	298950	277449
LW	15	90934	298920	207986
NE	16756	43974672	240525370	196550698
NO	13646	37747195	211440913	173693718
NT	17995	58234269	294935718	236701449
NW	30873	68240888	387470085	319229197
SC	20902	55878966	305680117	249801151
SE	21424	60710812	313414807	252703995
SO	14699	37592695	206587057	168994362
SW	15534	38370735	192706936	154336201
WM	22520	57808549	317835140	260026591
WN	3034	6619838	35778657	29158819
WS	8344	24285541	108624527	84338986
Grand Total	228460	609587254	3212880130	2603292876

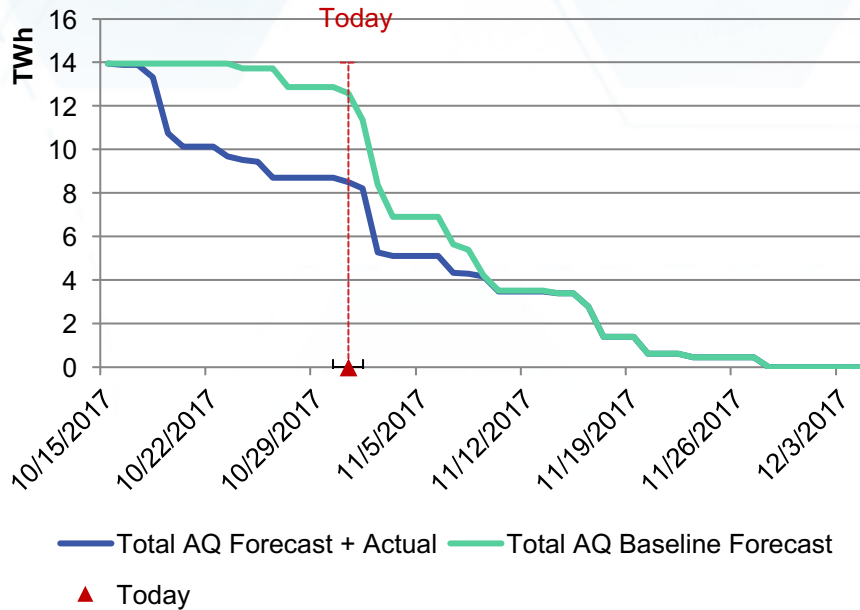
DM Read Start – Finish Cycle

The following timescales have been used when producing a forecast number of days to complete the DM Read Rejections. Please note that dependant on the type of defect that is found, not all steps will be applicable.

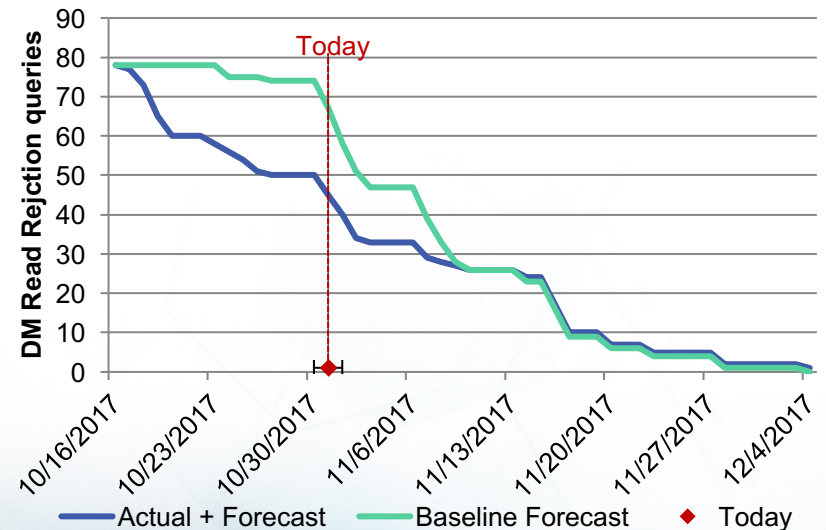
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	Days
Initial Investigation			Check Setup		Send to Industry		MAM Site Visit							Asset Amendment					DMSP Site Visit					Insert RGMA Flow					Monitor		32 days	
3 days			2 days		2 days		7 days							5 days					5 days					5 days					3 days			

Phase 1 Burndown and Forecast

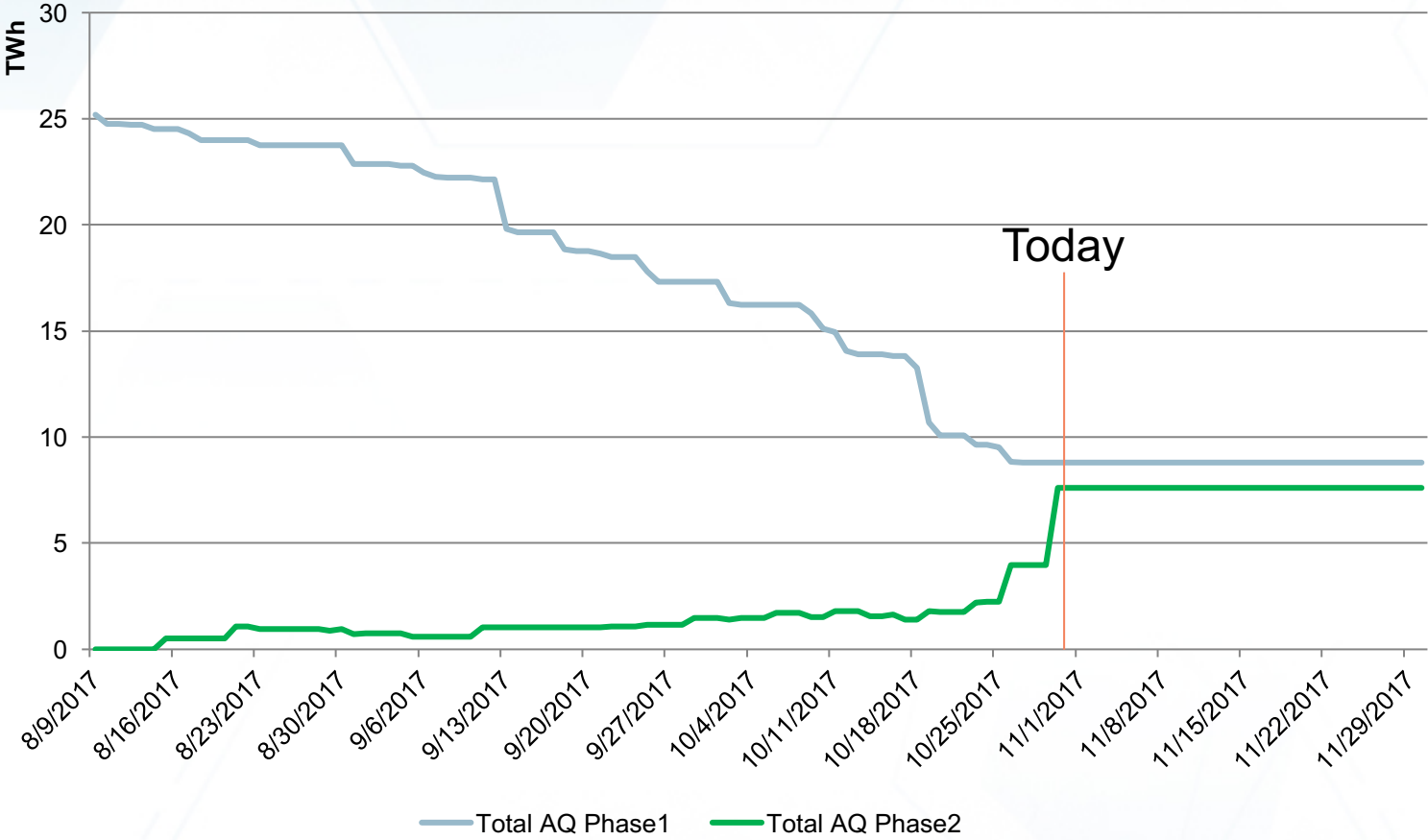
Phase 1 Burndown by AQ



Phase 1 Burndown by query



Total AQ Actual Burndown to date



Totals by Phase

Phase 1 Totals

Status	DMSP	N/A	SHIPPER	XOS	Grand Total	
Closed		0	128	0	0	128
Defect Identified		0	0	0	2	2
Fix in Progress		3	0	37	6	46
Fixed		0	0	0	1	2
Grand Total		3	128	37	9	178
Total Open					50	

Number of Sites	40
Total MPR's	50

Phase 2 Totals

Row Labels	DMSP	N/A	SHIPPER	XOS	Total	
Assigned		9	0	10	1	20
Closed		0	41	0	0	41
Defect Identified		0	0	0	1	1
Fix in Progress		2	0	6	0	8
New		0	0	0	7	7
Total		9	39	15	3	77
Total Open					36	

Number of Sites	24
Total MPR's	36

LDZ Breakdown

