

**UNC Workgroup 0631R Minutes  
Review of NDM algorithm post-Nexus**

**Tuesday 19 December 2017**

**At The St Johns Hotel, 651 Warwick Road, Solihull. B91 1AT**

**Attendees**

Chris Shanley (Chair)	(BF)	Joint Office
Kully Jones (Secretary)	(KJ)	Joint Office
Carl Whitehouse*	(CWh)	First Utility
Chris Warner	(CW)	Cadent
Fiona Cottam	(FC)	Xoserve
Fiona Speak	(FS)	RWE npower
Linda Whitcroft	(LW)	Xoserve
Louise Hellyer	(LH)	Total Gas & Power
Luke Reeves*	(LR)	EDF Energy
Mark Jones*	(MJ)	SSE
Mark Palmer*	(MP)	Orsted
Mark Perry	(MP)	Xoserve
Rachel Hinsley	(RH)	Xoserve
Robert Wigginton	(RW)	Wales & West Utilities
Sallyann Blackett	(SBI)	EON Energy
Sam Ramplee	(SR)	Utilita
Simon Geddes	(SG)	National Grid
Teresa Safina*	(TS)	Scottish Power
Steve Britton*	(SB)	Cornwall Insight
Tim Hammond	(TH)	Corona Energy

\*Via teleconference

**Apologies**

Hilary Chapman	(HCh)	Scotia Gas Networks
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Copies of all papers are available at <https://www.gasgovernance.co.uk/0631/191217>

The Workgroup Report is due to be presented at the UNC Modification Panel by 17 May 2018.

**1. Introductions**

CS welcomed colleagues to the Workgroup meeting.

**2. Review of Minutes**

The minutes of the meetings on 21 and 30 November 2017 were approved.

### 3. Analysis of EUC Bands/WAR Bands/Weather Factors

FC provided an update in relation to the production of an educational pack for Shippers to increase awareness and raise understanding of EUC Bands/ WAR Bands in the context of improving read performance. She confirmed that the educational pack had been developed and would be published before the Christmas break. It is hoped it will encourage Shippers to amend or provide Winter Consumptions and result in fewer sites in the "Bucket" End User Category.

**New Action 1201:** Xoserve (FC) to publish the educational pack and provide the link to their website for inclusion in the minutes as a post - meeting update.

A brief discussion was had in relation to meter point reconciliation by EUC band analysis. SBI suggested that the data shows that there is not an issue with the EUC Bands (large or small supply points).

FC confirmed that there had been issues with DM read estimates in June and a lot of checking had been done as a result. More actuals were now being reconciled and things have settled since. SBI agreed that it has settled down but suggests there is consistent under allocation each month.

In relation to the analysis of WAR bands, FC confirmed that PAC would be reviewing the statistics for take-up of WAR Band EUCs for Band 3 and above in February 2018. LW suggested that there was another factor and that it is not just that meters are not read frequently enough but they are also not being sent into the Xoserve systems. The position had improved in October but there is scope for further improvement. She asked if Shippers could check the level of NDM read rejections. .

**New Action 1202:** Shippers to check NDM read performance/rejections for bands 7 to 8 in particular.

### 4. Scaling Factors

Not discussed.

### 5. Provision of Sample Data

This item was not discussed as it had been covered within the DESC agenda. FC reiterated the request made at the DESC meeting for help from Members to promote the need for additional NDM sample data by 03 April 2018 (covering the period from 25th March 2017 to 7th April 2018) for use in the Spring modelling (Band 01B in particular).

### 6. Review of Outstanding Actions

**0631R 1002:** Shippers to calculate their own old world v new world position algorithm based on the guidance in the NDM Demand Estimation Methodology published on Joint Office website here: <https://www.gasgovernance.co.uk/tpddocs>

**Update:** FC provided a short presentation summarising the analysis undertaken by Corona Energy to compare pre and post Nexus demand allocation output for the period Oct 2016 to May 2017. She provided a brief update on the key findings and conclusions. LSP meters have on average 1.9% less volume allocated in the new world and SSP meters have on average 3.5% less volume allocated.

SBI asked how much correction is needed as the actual data was missing and it is not clear who the winners and losers are. Without the actual reads it is difficult to determine if the pre or post Nexus allocation was more accurate. It was agreed that this action is closed but that a new action should be raised (see below). **Closed.**

**New Action 1203:** Xoserve (FC) to undertake analysis to compare actual allocations to the position once reconciliation has occurred.

**Action 1005:** Xoserve to provide a breakdown of WAR bands and provide an educational pack on WAR.

**Update:** FC provided an update confirming that the educational pack had been developed but was not yet published. It was agreed that this action be closed, **Closed.**

**Action 1101:** British Gas (JB) agreed to provide further analysis of the impact on UIG of incorrect WAR Bands on EUC (update of Paper Titled *Percentage of AQ in a Bucket Band instead of a WAR Band*).

**Update:** As Jason Blackmore was not present this action was carried forward.  
**Carried Forward**

**Action 1102:** All members to review the Shrinkage consultation document to raise awareness of the issues included within the consultation and to identify any areas that need to be raised with the Shrinkage Forum on 19 December 2017.

**Update:** This action was closed as the Shrinkage Forum meeting had been held on the same day, a new action was raised (see below). **Closed.**

**New Action 1204:** Corona Energy (TH) to find out the outcome of the discussion on the Shrinkage consultation and report at the next meeting.

**Action 1103:** All parties to review the Shipperless and unregistered sites presentation pack published on the JO website on 18 October 2017  
<https://www.gasgovernance.co.uk/UnconSites/061017>

**Update:** LW provided an update suggesting that this is no longer an issue as it has been actioned in other forums/confirmed this issue is not driving UIG, so this item can be closed. **Closed.**

## 7. Any Other Business

None.

## 8. Next Steps

The Workgroup had a discussion about which areas of work still needed to be undertaken within the group's remit and particularly in the context of the new UNC Modifications that have been raised and which are potentially going to influence the landscape:

- UNC Modification 0641 - Amendments to Modification 0431 - Shipper/Transporter - Meter Point Portfolio Reconciliation rules and obligations
- UNC Modification 0642 - (Urgent) Changes to settlement regime to address Unidentified Gas issues

- UNC Modification 0643 - (Urgent) Changes to settlement regime to address Unidentified Gas issues including retrospective correction
- UNC Modification 0644 - Improvements to nomination and reconciliation through the introduction of new EUC bands and improvements in the CWV.

It is likely that the outcome of the discussion at the 21 December Modification Panel on these Modifications will influence the role and purpose of Workgroup 0631R. LW suggested that Workgroup 0631R will still be needed as a stand-alone group as its purpose is to specifically review the algorithm.

It was suggested, the next meeting consider the following topic areas:

1. Undertake analysis of WAR band performance to identify what more can be done to keep improving the NDM algorithm performance.
2. Analysis of WAR Bands and EUC Bands to identify those sites that should be in a more appropriate band.
3. Xoserve to share the analysis to be presented to PAC meeting on Pot 2 DM sites, in terms of “time to resolve” to get them back to actuals from estimates. FC commented that anonymised individual Shipper data could be provided to help Shippers understand their data and share best practice on processes employed.
4. Allocation versus Reconciliation Analysis – identify what can else can be done. With a focus on good/poor EUC bands.

Xoserve agreed to provide papers to support the above agenda items.

## 9. 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
15 January 2018	Solihull	<ul style="list-style-type: none"> <li>• WAR Band Performance</li> <li>• Analysis of WAR bands and EUC Bands</li> <li>• Pot 2 DM Sites analysis</li> <li>• Allocation versus Reconciliation Analysis.</li> </ul>

## Action Table (as at 19 December 2017)

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
1002	25/10/17	2.0	Shippers to calculate their own old world v new world position algorithm based on the guidance in the NDM Demand Estimation Methodology published on Joint Office website here: <a href="https://www.gasgovernance.co.uk/tpddocs">https://www.gasgovernance.co.uk/tpddocs</a>	Shippers	Closed
1005	25/10/17	2.0	Xoserve to provide a breakdown of WAR bands and provide an educational pack on WAR	Xoserve	Closed
1101	21/11/17	4.0	British Gas (JB) agreed to provide further analysis of the impact on UiG of incorrect WAR Bands on EUC (update of Paper Titled <i>Percentage of AQ in a Bucket Band instead of a WAR Band</i> ).	British Gas (JB)	Carried Forward
1102	21/11/17	5.2	All members to review the Shrinkage consultation document to raise awareness of the issues included within the consultation and to identify any areas that need to be raised with the Shrinkage Forum on 19 December 2017.	All	Closed
1103	21/11/17	5.2	All parties to review the Shipperless and unregistered sites presentation pack published on the JO website on 18 October 2017 <a href="https://www.gasgovernance.co.uk/UnconSites/061017">https://www.gasgovernance.co.uk/UnconSites/061017</a> .	All	Closed
1201	19/12/17	3.0	Xoserve (FC) to publish the educational pack and provide the link to their website for inclusion in the minutes as a post - meeting update.	Xoserve (FC)	Pending
1202	19/12/17	3.0	Shippers to check NDM read performance/rejections for bands 7 to 8 in particular.	Shippers	Pending
1203	19/12/17	6.0	Xoserve (FC) to undertake analysis to compare actual allocations to reconciliation.	Xoserve (FC)	Pending
1204	19/12/17	6.0	Corona Energy (TH) to find out the outcome of the discussion on the Shrinkage consultation and report at the next meeting.	Corona Energy (TH)	Pending