

UNC Workgroup 0631R Minutes
Review of NDM algorithm post-Nexus
Thursday 30 November 2017
Via Teleconference

Attendees

Bob Fletcher (Chair)	(BF)	Joint Office
Kully Jones (Secretary)	(KJ)	Joint Office
Mark Jones	(MJ)	SSE
Mark Rixon	(MR)	Engie
Andrew Green	(AG)	Total Gas & Power
Chris Warner	(CW)	Cadent
David Carroll	(DC)	Gazprom
David Mann	(DM)	Orsted
Fiona Cottam	(FC)	Xoserve
Gareth Evans	(GE)	Waterswye
John Welch	(JW)	NPower
Justin Price	(JP)	Corona Energy
Kathryn Turner	(KT)	Good Energy
Linda Whitcroft	(LW)	Xoserve
Mark Jones	(MJ)	SSE
Mark Rixon	(MR)	Engie
Rachel Hinsley	(RH)	Xoserve
Sam Ramplee	(SR)	Utilita
Tim Campbell	(TC)	EON

Copies of all papers are available at <https://www.gasgovernance.co.uk/0631/301117>

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

1. Introductions

BF welcomed colleagues to the teleconference meeting. The Workgroup agreed the focus of the meeting was to review actions and progress since the previous meetings.

2. Update on Actions

LW provided a presentation titled *UIG - 0631R* summarising the key actions in relation to these four key areas. The Workgroup received an update on each action against these areas.

a. Process Compliance/Improvement (Slide one)

Mandate more frequent read provision – a number of Modifications and Requests have already been raised to address this issue – 0594R, 0632, 0633, 0638 and a CMA remedy is to be implemented by April 2018.

Make provision of NDM Sample data mandatory – this is still a voluntary requirement. A brief discussion about whether a Modification was going to be raised and confirmation that Section H of the UNC does not have a mandatory requirement for

reads/data to be provided. The PAC will consider reporting and mandating data at the next meeting on 12 December 2017.

Review of DM resynchronisation process – to be discussed at the next PAC meeting.

Review of Shrinkage determination process, including CSEP Shrinkage – FC reported that the Shrinkage Forum on 13 November received a presentation from Xoserve to raise awareness of how shrinkage is impacting UIG.

Complete current remedial actions, including DM project and AQ-1 – this is an existing Xoserve project which is on-track.

Shipper education on end-to-end processes to improve compliance – this was discussed at the PAC meeting on 29 November. Xoserve will be publishing training materials to increase knowledge transfer.

Investigate anomalies in DM estimates in Gemini – addressed through the implementation of Modification 0634 (Urgent) - *Revised estimation process for DM sites with D-7 zero consumption*.

b. Regime Changes (Slide two)

LW confirmed the priority and forum that the four actions are being considered within and these remain as set out in the slide.

c. Additional Investigation/Analysis (Slide three)

Analysis of NDM customer behaviour, especially non-weather related – British Gas will share their analysis on the weather correction factor at the next meeting of DESC on 11 December 2017.

Analyse suitability of the NDM bucket EUC profiles – FC stated that discussions with individual Shippers has been held to improve data and that PAC have considered options including whether a Modification should be introduced to consider the correct alignment of sites to EUC Bands. JW suggested that analysis is needed on the success across EUC and WAR bands and the proportion of sites in the correct bands. The Workgroup is to review data in January. Xoserve informed the Workgroup that they are preparing educational material to raise awareness, this will be published within the next week.

Greater transparency of data – e.g. naming Shippers whose actions/delays are contributing to UIG – PAC have received data on nomination rejections and potential remedies are to be considered.

Greater visibility of theft data from other forums –the background to this question was not clear, it was suggested that the issue was raised from the UIG awareness day.

Greater visibility of theft data from other forums – Xoserve to add links to the AUGE report.

More data on unregistered sites – it was suggested that there may need to be an additional meeting to consider UIG in the context of unregistered sites. JP asked if it was possible to sample a proportion of unregistered sites to identify what proportion they contribute to UIG. FC stated that the challenge is identifying which sites are truly Shipperless or those created in error. Xoserve to add links to the minutes from 06 October 2017 Shipperless and Unregistered sites meeting to enable the Workgroup to review previous data.

Comparison of old versus new allocations in relation to post-Nexus performance – FC stated that individual Shippers have undertaken analysis to compare old and new allocations. JP informed the Workgroup that Corona Energy, British Gas and EON have undertaken more analysis and their conclusion is that performance is not as good as pre-Nexus but wider data is needed across other Shippers to corroborate this. TC advised that EON were modelling where possible and had noted differences in performance and that these might be seasonal variations.

In response to a question about repeating the previous analysis undertaken for the 3 Gas days in June, FC explained that whilst the analysis could be done it was laborious and it would be better if Shippers could undertake the analysis. In addition, TC said that EON is investigating what can be done outside of the UNC to flex WVS or if a modification would be required.

Analyse winners versus losers – this will be addressed within 0631 Workgroup.

d. Conceptual Questions (Slide four)

The five Conceptual questions summarise the questions raised at the UIG awareness day for this Workgroup to consider. The majority of these issues have been investigated through the work of this Workgroup. Unregistered sites and Shrinkage are potentially the 2 areas affecting overall levels of UIG that need more work. FC explained that there are a number of controls such as back-billing in place in relation to unregistered sites and as a consequence they should not be significantly contributing to UIG.

In relation to Shrinkage there are 22,000 domestic sites nationally categorised as Shipperless, however, the potential for UIG is small. Overall shrinkage contributes 0.2% to UIG from other sites.

Changes in validation rules in October 2017, have led to a number of sites failing to calculate an AQ. Sites with an AQ=1 with subsequent meter readings allow the reads to be submitted but they fail the market test flag and fail to load hence.

CW raised a question in relation to provision of AMR and Smart Meter Data and whether it should be made mandatory to be provided to Xoserve or to Transporters.

Workgroup suggested that it would be helpful to undertake a small exercise to quantify the benefit of the actions taken to address the UIG issues. FC suggested that DM Reads contribution of 1% and fixed AQ contribution of 1% resulting in a 2% correction could be used to inform the daily calculation, however modelling the impact on a day by day basis would be very complex and time consuming.

JP explained that the NDM is not effective until 01 December 2017 and suggested that there is not enough weather sensitivity in the model. Daily volatility and seasonality are two areas for prioritisation. FC suggested that the next meeting focus on three areas – scalability, volatility and predictability.

The Workgroup had a brief discussion about whether the DM fix has reduced UIG. JP reported that at the beginning of November they had observed a drop in levels, however, by mid-November the levels had increased so it is difficult to definitively say if the DMs have contributed to overall UIG reduction. Other Shippers agreed that volatility remains, that overall level of UIG has improved significantly but it is not clear if this is due to DM or the way the algorithm is working through the seasons.

3. Any Other Business

None.

4. Next Steps

The Workgroup to consider improvements to the accuracy of assignment of Supply Points to EUCs, including WAR Bands, and also support DESC in improving the accuracy of the NDM Profiles. The impact of both initiatives should be an improvement in NDM Allocations compared to actual usage, and therefore a reduction in observed daily UIG.

It was agreed that the focus of the next meeting should be to discuss:

- EUC Bands
- WAR Bands, and
- Weather sensitivity.

5. Diary Planning

Further details of planned meetings are available at: www.gasgovernance.co.uk/Diary

Workgroup meetings will take place as follows:

Time / Date	Venue	Workgroup Programme
13:00 11 December 2017 (following DESC)	Solihull	Carry Agenda Items forward; and include EUC Bands WAR Bands Weather Sensitivity Sample data Scalability

Action Table (as at 21 November 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: https://www.gasgovernance.co.uk/tpdocs	Shippers	Carried Forward
1005	25/10/17	2.0	Xoserve to provide a breakdown of WAR bands and provide an educational pack on WAR	Xoserve	Carried Forward
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/ Closed
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	Carried Forward/ Closed

Action Table (as at 21 November 2017)

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
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 https://www.gasgovernance.co.uk/UnconSites/061017 .	All	Carried Forward/ Closed