

UNC Workgroup 0624R Minutes
Review of arrangements for Retrospective Adjustment of Meter Information, Meter Point/Supply Point and Address data
Monday 21 August 2017
at Lansdowne Gate (Xoserve), 65 New Road, Solihull, B91 3DL

Attendees

Andrew Margan*	(AMa)	British Gas
Andy Clasper	(AC)	Cadent
Andy Knowles*	(AK)	Utilita
Angela Love	(AL)	ScottishPower
Beverley Viney	(BV)	National Grid NTS
Bob Fletcher (Chair)	(BF)	Joint Office
Chris Warner	(CW)	Cadent
Emma Lyndon	(EL)	Xoserve
Gareth Evans	(GE)	Waters Wye
Hilary Chapman	(HC)	SGN
John Welch	(JW)	npower
Karen Visgarda (Secretary)	(KV)	Joint Office
Lorna Lewin	(LL)	DONG Energy
Mark Jones*	(MJ)	SSE
Paul Orsler	(PO)	Xoserve
Richard Pomroy	(RP)	Wales & West Utilities
Steven Britton*	(SB)	Cornwall Energy

* *via teleconference*

Copies of all papers are available at: <http://www.gasgovernance.co.uk/0624>

The Workgroup Report is due to be presented at the UNC Modification Panel by 18 January 2018.

1.0 Outline of Modification

CW introduced the modification and explained that this modification was the 'follow on' from Modification 0434 'Project Nexus – Retrospective adjustment' which was originally approved by Ofgem on 21 February 2014 and that the Retrospective Data Update elements had been deferred from PNID implementation. He then overviewed the current situation as detailed below:

- 08 January 2016 PNSG agreed that systems based solution for Retrospective Data Update elements of Modification 0434 should be deferred;
- Urgent Modification 0573 'Project Nexus – deferral of the implementation of elements of Retrospective Adjustment arrangements' approved by Ofgem on 26 February 2016 and implemented on PNID (01 June 2017) – the effect of the Modification was to defer implementation of Retrospective Data Updates to 01 October 2017;
- Read Replacement elements of Modification 0434 implemented on PNID.

CW then noted that Cadent had raised a 'Consent to Modify' (which had been discussed briefly at the August Panel) to seek to defer Retrospective Data Update implementation date (UNC TD IIC 23.1) to 'no earlier than 01 November 2018' to enable the Workgroup to re-assess the case for the Retrospective Data Updates proposals, in light of the functionality

already delivered as part of the Project Nexus Implementation, in order to review whether a systems solution should be pursued, together with Authority involvement in determining how the industry should proceed with this matter.

2.0 Initial Discussion

CW explained that an industry consultation or a request for information (RFI) should be initiated to explore the cost and benefit case in relation to proceeding with the required systems investment.

CW then stated the following areas should be encompassed in the overall information as detailed as below:

- A full development implementation cost assessment by the CDSP – to include the consequential impacts on other industry change;
- An assessment of the likely volumes of Retrospective Data Updates to be requested by Shipper Users;
- Based on volumes, an assessment of the impacts of this on the Shipper community and ultimately consumers;
- Need to identify party best placed to undertake consultation;
- Need up to 6 months to conduct thorough and fully informed review. Report back to Modification Panel in January 2018.

CW explained that in relation to the Retrospective Data Update implementation there were associated considerations that needed to be taken into account, which are detailed below:

- Systems based solution for Retrospective Data Updates likely to require substantial development resource within CDSP to implement;
- Would be likely to require industry testing and market trials arrangements
- Would be likely to require separate UK-Link implementation 'release' given scale of change;
- No work possible until assessment has been made with respect to the UK Link System including delivery of defect changes and successful completion of the appropriate stabilisation milestones;
- Analysis of retrospective data adjustment functionality would need to be undertaken to assess the impact of any changes made to UK Link since design baseline. The file interfaces with UK Link Users for retrospective data adjustments have yet to be approved.

He reiterated that all the above points would need to be explored in order for the Workgroup to make its recommendations.

CW then explained that various things had changed and provided a bit more background of these changes and he said that clearly a significant period of time had now elapsed since the Ofgem direction was made on Modification 0434 and that the Read Replacement had been implemented which was a significant component of Modification 0434. He also said that there was no independent or stand alone cost assessment available for the Retrospective Data Updates and that costs to deliver against the implemented solution as a discrete piece of functionality, would not be the same, as if the solution had been included in the scope of PNID delivery, and that there were no separate benefits case available for Retrospective Data Updates. He added that it was a logical step, therefore to conduct a CBA (to include an RFI) to assess whether to proceed or to evaluate risk of 'sunk cost' arising and that there was no recent assessment of 'data environment' available as in i.e.

- Other industry measures to improve data quality?

- Availability of better quality data?
- Incentive to 'get it right first time'?
- Consequential effects on UNC parties of disproportionate volume and 'spread' of Retrospective Data Updates?

A general discussion then took place regarding the potential funding and AL said this needed to be explored as the Transporters had already had some funding and BF quoted the Panel minutes from 20 July 2017 regarding this modification which stated:

“CW introduced the request and its aims. A significant component of Modification 0434 (read replacement) has already been implemented. A key element (Retrospective Data updates, known as RAASP) was de-scoped from the Nexus system and has not yet been implemented; a review group is sought to look at the area of Retrospective Data Update implementation. During discussions, several elements were brought out:

- *Significant testing of any further functionality is expected to be required.*
- *Costs already funded need to be taken into account.*
- *Costs to the consumer must also be taken into account.*
- *There are costs to Shippers in terms of technical development required.*
- *The cost of implementation as a standalone function are not the same as when it was included in the larger package.*
- *A review of costs and benefits will be required. This may need to be done by an independent party.*
- *A request was made for Xoserve (the CDSP) to prepare a way forward in advance of the first meeting.*
- *Market trials and testing would be needed.*

Panel requested the workgroup to address in particular those points relating to costs already paid and costs to the customer.

For Request 0624R, Members determined:

- *That Request 0624R be issued to a standalone Workgroup for further assessment, with a report to be presented no later than the 18 January 2018 Panel.”*

GE asked in relation to the potential costs, if it would be possible for an Industry Independent Body to conduct a costing assessment if this was not in the remit of Xoserve to produce this costing breaking down. CW said he would supply further specific funding information at the next meeting. AL suggested that industry trade associations might be best placed to collate Shipper data in terms of the costs they currently incur managing the workaround process to correct data. However, there was no overall consensus as to who should collate and analyse shipper data as it could be considered commercially sensitive.

New Action 0801: Cadent (CW) to provide a presentation on the funding of Nexus and its associated modifications.

EL then provided a high-level overview of the *RAASP Options* presentation and associated options that were available, these included the following:

Option 1 – Timestamp Asset data - financial adjustment via CMS

- Asset data corrected via automated process (i.e. file submission)
- Applicable to current Asset only
- Data will be 'timestamped' - notifying date change was applied to system
- Data will be presented with correct Effective Dates to relevant organisations

- e.g. future file flows, Data Enquiry etc.
- Start & End Reads to be provided by Shipper
- Continue to utilise CMS for Consumption Adjustments

Alternate – Option 1b – Consumption Adjustment via file submission

- Shipper provides Metered Volume as part of file submission for whole period
- Xoserve process Consumption Adjustment
- Financial Adjustments based on volume provided

Option 2 – Unravel data to agreed date

- Asset data corrected via automated process (i.e. file submission)
- Replace current Asset details only
- Rather than ‘Timestamp’ Asset details, create a new Asset record within SAP – archiving previous Asset records
- New Asset record will be presented with correct Effective Dates to relevant organisations
 - e.g. future file flows, Data Enquiry etc.
- Shipper provides Metered Volume as part of file submission
- Work to an agreed backstop date other than Code Cut Off Date
 - e.g. 1st June 2017 / within current Shippers Ownership

Alternate – Option 2b –Xoserve re-calculate charges

- Xoserve utilise reads provided by Shipper to re-calculate Metered Volume

Option 3 – Initial Design

- Initial Design – as per Retrospective Updates BRD
- 68 scenarios developed during Retrospective Updates workshops
- Scenarios to be assessed to ensure these are still relevant

Option 4 – Business As Usual

- Continue to facilitate Consumption Adjustments to correct Metered Volume
- Continue to utilise RGMA flows to correct Asset data prospectively

PO talked through each option in detail as described above, together with the schematics for each option, which provided further information of the process in each specific Option. He reiterated once again, that these options were initially ‘high-level’ at the present time and that further detailed analysis would be required to better understand the cost implications.

A general discussion then took place in relation to each option and GE proposed that EL produced a table that clearly showed the differences/alternatives between each option in a ‘table format’, as he felt that would give greater clarity. EL agreed this table would be produced for the next meeting.

New Action 0802: Xoserve (EL) to produce a ‘table format’ encompassing all the specific options detailing the differences and alternatives between them.

EL then overviewed the questions that were for consideration and discussion, these included the following:

- Should Retrospective Updates apply to;
 - Class types

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- Meter configuration types (e.g. Datalogger, Corrector)
 - Unique Sites
 - Period retrospective amendment applies;
 - Treatment of Small Supply Points spanning pre-Nexus
 - *Treatment of iGT Supply Points spanning pre-Nexus
 - Other principles;
 - Rules regarding multiple Retro Updates – Limited to one for the relevant period

*PO added that the iGT's would be attending future Workgroup meetings in relation to iGT Supply Points spanning both pre/post Nexus environments.

PO then overviewed the Indicative Development Timeline schematic explaining this was presently an evolving document and that he would add into the timeline how the Workgroup will determine the benefits, and he added he would also include the Smart Roll-out.

New Action 0803: Xoserve (PO) to include how the Workgroup will determine the benefits into the overall timeline table, together with references to the Smart Meter Roll-out.

PO said he would schedule an Xoserve managed Teleconference all on Monday 04 September 2017 to provide the Workgroup with an update on the Impact Assessment.

New Action 0804: Xoserve (PO) to schedule a Teleconference on Wednesday 13 September 2017 to provide a 'temperature check' update on the Impact Assessment.

CW explained that Xoserve also needed to set out the 'benefits case' for each option to enable the Workgroup to make recommendations in its report.

AMa proposed there could be a confidentiality issue with regards to the data provided and that it might not remain confidential – how was the information going to be analysed and presented in a meaningful way while still maintaining confidentiality? GE said that Trade Bodies could do the analysis instead and provide a collated and anonymised view which could then be fed into the overall review of the proposed arrangements and options analysis.

A lengthy general discussion then took place regarding the best way to approach this matter and GE and AL agreed to look at the original RFI questions in relation to Request 0594R and to collate and add to these and provide a 'strawman' for the next meeting.

LL was concerned that volumes must not be understated based on current submissions as parties may be holding back submissions as they are anticipating systems being provided to enable records to be updated. The questions should look to get a good view on estimates, particularly with SMART metering roll out.

GE felt there might be anecdotal evidence to suggest that some parties had already developed systems which include RAASP functionality and perhaps these sunk costs should be considered if appropriate.

New Action 0805: Waters Wye (GE) and ScottishPower (AL) to produce a 'strawman' of questions for the (RFI) in a similar format to the questions developed for Request 0594R for discussion at the next meeting.

CW then drew attention to the fact that the change horizon now featured Faster Switching, Central Registration Service, Meter Reading Submission (0594R) and Smart Metering implementation. Each of these could have a direct or indirect bearing on the cost/benefit of this change, which would also have to be taken into consideration, especially with regards to any Consumer impacts.

2.1. Terms of Reference

As matters have been referred from Panel within initial representations a specific Terms of Reference will be published alongside the Modification at www.gasgovernance.co.uk/0624

The Workgroup reviewed the Terms of Reference and agreed a number of changes based on discussions and comments received from Panel.

3.0 Next Steps

BF confirmed that the timeline was very short and that there was a real likely-hood that the January date would need to be extended, due to a lack of time, and so that the Workgroup needed to be mindful of the amount of discussion that would be required regarding this Request. However, he was unsure at this time what date needed to be achieved as there is no associated modification or implementation requirement. CW felt the timeline was needed to provide certainty to the industry as to the way forward for RAASP.

He then proposed the future meeting dates as detailed in Diary calendar below and said the venue's would be confirmed in due course.

4.0 Any Other Business

None.

5.0 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
10:30 Wednesday 27 September 2017	Venue (TBC)	Detail planned agenda items. <ul style="list-style-type: none"> • Consideration of Panel Questions • Draft Questions for RFI • DNO Process • Impact Assessment
10.30am Tuesday 24 October 2017	Venue (TBC)	Detail planned agenda items. <ul style="list-style-type: none"> • TBC
10.30am Tuesday 28 November 2017	Venue (TBC)	Detail planned agenda items. <ul style="list-style-type: none"> • TBC
10.30am Friday 08 December 2017	Venue (TBC)	Detail planned agenda items. <ul style="list-style-type: none"> • TBC
10.30am Monday 08 January 2018	Venue (TBC)	Detail planned agenda items. <ul style="list-style-type: none"> • TBC

Action Table (as at 21 August 2017)

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
0801	21/08/17	2.0	Cadent (CW) to provide a presentation on the funding of Nexus and its associated modifications.	Cadent (CW)	Pending
0802	21/08/17	2.0	Xoserve (EL) to produce a 'table format' encompassing all the specific options detailing the differences and alternatives between them.	Xoserve (EL)	Pending
0803	21/08/17	2.0	Xoserve (PO) to include how the Workgroup will determine the benefits into the overall timeline table, together with references to the Smart Meter Roll-out.	Xoserve (PO)	Pending
0804	21/08/17	2.0	Xoserve (PO) to schedule a Teleconference on Wednesday 13 September 2017 to provide a 'temperature check' update on the Impact Assessment.	Xoserve (PO)	Pending
0805	21/08/17	2.0	Waters Wye (GE) and ScottishPower (AL) to produce a 'strawman' of questions for the (RFI) in a similar format to the questions developed for Request 0594R for discussion at the next meeting.	Waters Wye (GE) & ScottishPower (AL)	Pending