

UNC Workgroup 0633 Minutes
Mandate monthly read submission for Smart and AMR sites from 01
December 2017
Thursday 26 October 2017
at Elexon, 4th Floor, 350 Euston Road, London, NW1 3AW

Attendees

Andy Clasper	(AC)	Cadent
Andrew Margan	(AM)	Centrica
Angela Love	(AL)	Scottish Power
Bob Fletcher (Chair)	(BF)	Joint Office
Carl Whitehouse	(CWh)	First Utility
Charles Ruffell	(CR)	RWE
Chris Warner	(CWa)	Cadent
Claire Towler	(CT)	SSE
Darren Lond	(DL)	National Grid
David Addison	(DA)	Xoserve
David Mitchell	(DM)	SGN
David Reilly*	(DR)	Ofgem (UNC 0619/0619A)
Emily Wells	(EW)	Corona Energy
Frasier Mathieson	(FM)	SGN
Gareth Evans	(GE)	Waters Wye
Hilary Chapman	(HC)	SGN
John Burke*	(JB)	Cadent (AOB only)
John Welch	(JW)	npower
Jon Dixon	(JD)	Ofgem
Karen Visgarda	(KV)	Joint Office
Kathryn Turner*	(KT)	Good Energy
Kirsty Dudley	(KD)	E.ON
Kully Jones (Secretary)	(KJ)	Joint Office
Lorna Lewin	(LL)	DONG Energy
Mark Jones*	(MJ)	SSE
Nicky Rozier*	(NR)	(BUUK)
Rachel Hinsley	(RH)	Xoserve
Richard Pomroy	(RP)	Wales and West Utilities
Shanna Key	(SK)	Northern Gas Networks
Shardul Pandit*	(SP)	Wales and West Utilities
Steve Britton	(SB)	Cornwall Insight
Steve Mulinganie	(SM)	Gazprom
Tim Hammond	(TH)	Corona Energy

* *via teleconference*

Copies of all papers are available at: <https://www.gasgovernance.co.uk/0633/261017>

The Workgroup Report is due to be presented at the UNC Modification Panel by 09 November 2017.

1.0 Outline of Modification

EW introduced the modification and explained that the CMA had directed the industry as part of its remedies from investigation into the Energy Retail Market, that for every site with a Smart or AMR meter installed, to submit one Valid Meter Read each month to Xoserve from 01 April 2018. EW said that she supported this proposition and this was the reason Corona Energy had raised this modification. She said she also believed that industry would benefit from having this obligation brought in earlier, as a more accurate settlement would help to address the current high levels of UIG and volatility being experienced in the market.

AM said he felt the earlier implementation date would mean that the Shippers had to undertake internal system changes and that it was now usual to allow at least 6 months notice, for these types of changes to be carried out particularly where the recent RFI undertaken by Workgroup 0594R supported the assumption that this obligation should be from 01 April 2018. AL agreed with this comment and expressed concerns regarding the Smart Meter and AMR reads process. EW explained that certain obligations needed to be placed on Shippers via the UNC in order to ensure maximum possible benefit from the use of Smart and AMR meter readings and that this could include a formal obligation in the UNC for every site that had either a Smart Meter or AMR device installed, to submit one valid read a month from 01 December 2017.

A lengthy and protracted general discussion then took place and both AM and AL reiterated that the bringing forward of the implementation date was not practical, due to the impacts on ongoing systems programmes to meet 01 April obligation that would be required within the Shippers internal organisations. They also both added that the issue of Unidentified Gas (UIG) was also having a negative impact. GE counteracted this view point, and said that he was not aware that any large or complex system changes would be required, especially as the majority of the Shipper Community, already had the capability to deal with these changes, that in essence, would only have an impact for 3 months, which could be addressed by a temporary internal fix or the adoption of manual work arounds.

JD said that he had empathy with the Shippers that felt this would have a negative and costly impact on their systems, but he added that he was aware of some organisations within the Industry had already undertaken the system changes to allow them to be ready for 01 April 2018 for the Smart Meter and AMR reads process, he further added that he was not going to ask the CMA for an alternative direction on the date. JD reiterated that the UIG issue within the Industry was significant and that surely anything that helped to reduce the impact of this within the Industry was a positive step. GE said that this process would not solve the UIG issue in its entirety, but that the CMA felt it was an important issue.

AL said that in the 0594R RFI which had been presented by Ofgem in the last meeting, stated that at least 15 Shippers had said these internal systems changes could cost in the region of £100,000 for each organisation and had flagged this as an issue. She also added that in some ways altering this process may have a greater negative impact on the UIG issue in the long run as volatility would be realised as the algorithm was based on this approach. SMu said that in respect of the circa 4 million sites that these would be individually reconciled each month and so would have a positive impact on the present UIG issue. GE then reiterated that the AQ's had dropped by 4% since June and this covered a large percentage of the NDM market, and so UIG was still a real issue that was continually impacting on the market.

A further general discussion took place surrounding the actual Smart Meter and AMR process and FM said that surely there were Shippers that already had Smart Meters installed, with Customers still in Class 4, and so these reads could be obtained regardless, and that their systems would capture the data from the Class 3 sites as well. JW said some Shippers did have this capability and some did not.

CWa said that reads would need to be procured at these sites and that he wanted to draw attention to this fact, as regardless of any changes it was imperative, as stated in the policy agreements that monthly reads were obtained. SMu said that he disagreed that this was necessary to have 'must read's for very small customers, especially if some of them had been suspended by this modification. DA added that presently Xoserve had no plans to change the existing meter read flag process. CWa reiterated that this modification needed to state very clearly and succinctly exactly what was being proposed and felt more detail and specific explanations were needed to be included to ensure that the sites fell outside the UNC "Must Read" process as the definition was unclear at this time. EW added that the Smart Meter and AMR reads were not going to be split, as had been suggested previously

CWa said that from a Legal Text viewpoint, that the date of 01 December 2017 was very prescriptive and asked if this date was to be 'hard coded' into the Legal Text? EW agreed that this date of 01 December 2017 should be 'hard coded' and CWa said if that was the case, then this was a very challenging and tight timeline from a Legal Text and implementation perspective. BF added that the Legal Text would be required by the Extraordinary Panel meeting on 09 November 2017, in readiness for the modification to go out to consultation. GE said if there were any issues or problems to let him know in the first instance and he said that the Workgroup were not to get over anxious about the date of 01 December 2017, adding, that providing the modification was submitted prior to the 31 December 2017, that would still be acceptable.

2.0 Initial Discussion

2.1. Issues and Questions from Panel

None raised.

2.2. Initial Representations

None received.

2.3. Terms of Reference

The standard UNC Workgroup Terms of Reference will apply and is available at <http://www.gasgovernance.co.uk/mods>

3.0 Workgroup Report completion

During an onscreen review BF moved through the Workgroup Report and amended the Timeline Table following the discussions and he updated a few areas with regards to word changes to provide greater clarification. RH said that there would be an issue with the 25 days Meter Read frequency and this would need to be discussed in more depth as detailed in the Code Reference TPD M5. 9.2C and she agreed to undertake an Impact Assessment regarding this frequency detailing all the associated impacts.

4.0 Next Steps

BF confirmed that the Legal Text would need to be produced in readiness for the Extraordinary Panel meeting on 09 November and that he would update and complete the Workgroup Report following the various discussions held within the Workgroup. He said that the modification would be sent for consultation on 09 November 2017 with a 'close out' date of 20 November with the Final Modification Report being published on 21 November, ready for Panel on 24 November 2017.

5.0 Any Other Business

None.

6.0 Diary Planning

No further meetings are planned for this Workgroup.

