

UNC Workgroup 0664 Minutes
Transfer of Sites with Low Read Submission Performance from
Class 2 and 3 into Class 4
Wednesday 31 October 2018
at Radcliffe House, Blenheim Court, Warwick Road, Solihull B91 2AA

Attendees

Chris Shanley (Chair)	(CS)	Joint Office
Helen Bennett (Secretary)	(HB)	Joint Office
Carl Whitehouse	(CWh)	First Utility
Chris Faulds	(CF)	ScottishPower
Chris Warner	(CW)	Cadent
Edward Fyfe*	(EF)	SGN
Emma Smith	(ES)	Xoserve
Fiona Cottam	(FC)	Xoserve
Imran Shah*	(IS)	British Gas
Joanna Ferguson*	(JF)	NGN
John Welch	(JW)	npower
Kirsty Dudley*	(KD)	E.ON
Leanne Jackson	(LJ)	Xoserve
Lindsay Biginton*	(LB)	Utilita
Louise Hellyer	(LH)	Total Gas & Power
Luke Reeves*	(LR)	EDF Energy
Mark Bellman	(MB)	ScottishPower
Mark Jones	(MJ)	SSE
Mark Perry	(MP)	Xoserve
Mark Rixon*	(MRi)	Engie
Michael Robertson	(MRo)	ScottishPower
Sallyann Blackett*	(SB)	E.ON
Steven Britton*	(SBr)	Cornwall
Tracey Saunders	(TS)	Northern Gas Networks

* via teleconference

Copies of all papers are available at: <http://www.gasgovernance.co.uk/0664/031018>

1.0 Introduction and Status Review**1.1. Approval of Minutes (03 October 2018)****2.0 Amended Modification**

The Modification has not been amended.

3.0 Recommendations

See section 3 for updates on actions relating to the incentive charge.

4.0 Development of Workgroup Report

John Welch (JW) talked the Workgroup through an onscreen review of the current progression options. He explained that, following discussion with Xoserve, it was noted that solution is considered to be complex. There are two central components to this Modification:

1. The obligation to transfer sites as a result of poor read performance
 - a. The transfer solution is too complex, system development would be costly and time consuming. Xoserve currently have no process to bulk transfer Supply Meter Points between Product Classes.
2. Incentive charging
 - a. This could take longer to develop than the transfer component as there were a number of different way or options to apply incentive charges.

Talking through the final slide, JW explained the options to be considered to progress the Modification.

Option 1 – Amend the Modification to simplify the transfer component.

Option 2 – Amend the Modification, removing the transfer component, but retaining the incentive charge element.

Option 3 – Separate into two distinct Modifications.

Option 4 – Retain both elements in one Modification but focus the Modification on initial entry to Product Class 2 and 3.

The Workgroup considered that this Modification would probably be implemented sooner if it was focused on Option 1.

Bob Fletcher (BF) reminded the Workgroup that the deadline for new Modifications to be submitted to the Joint Office for consideration by the November UNC Panel is Friday 02 November.

It was mentioned that there are tens of thousands of sites with large AQs poor Meter Read performance.

Mark Bellman (MB) suggested progressing with option 3 too and progressing each of the main elements in separate Modifications so that some of the benefits can be implemented sooner should another element be delayed

When asked, MB clarified the advantage of compliance is if actual Meter Reads are being collected, the customers are being billed with actual reads.

5.0 Review of outstanding actions

Action 0802: *Reference Section 5 Solution – Incentive Charge* – Ofgem (JD) to look to provide a view on what should be done with any monies generated via a 0664 solution, and whether a 'neutral' solution is the only viable option.

Update: JW advised he has not had an update from Ofgem. **Carried Forward**

Action 1001: ES and JW to look to further define the transfer of sites process and the costs involved.

Update: JW confirmed a meeting has been had with Xoserve and the presentation provided at today's meeting shows the outcome. **Closed**

Action 1002: Using latest data for the 2 largest Shippers (920 and 212) FC (Xoserve) to evaluate what the impact is of the Shippers being in Class 3 rather than Class 4 (case study of savings a Shipper may have made by being in the wrong class).

Update: FC advised, using the factors, these sites are contributing to the risk of UIG because they are running on estimated reads, albeit a small number of sites. She advised that the savings would be roughly half. JW asked if a broad £ number can be identified. The AQ is

known, therefore circa 3 billion kWh's just over half a % of total NDM. FC gave an update, EUCs 1-3 that have the differential weighting factors currently. **Carried Forward**

6.0 Next Steps

BF clarified that JW is to amend the Modification ready for the next Workgroup based on the discussions for managing the different options.

JW will then consider if a two Modification approach would be the most beneficial way to move the proposals forward.

It was noted that the Modification should consider new market entrants and performance for new Class entrants. It would also be beneficial if there were a common or similar approach for this Modification and Modification 0672.

When asked, JW agreed that once it is known which path the Modification is going to be developed, he would establish if an IGT Modification would be required.

BF asked the Workgroup if anyone is considering raising an alternative and advised JW of a point of consideration, out of the 2 separate modifications, if one goes through and the other doesn't what is the impact, would they both be implementable without the other.

BF confirmed this is due to report to the December UNC Panel and suggested an extension is requested to March 2019 but try to report sooner.

7.0 Any Other Business

None.

8.0 Diary Planning

Further details of planned meetings are available at: <https://www.gasgovernance.co.uk/events-calendar/month>

Time / Date	Venue	Workgroup Programme
10.30 Monday 19 November 2018	Radcliffe House, Blenheim Court Warwick Road Solihull B91 2AA	Detail planned agenda items.
10:30 Friday 07 December 2018	Radcliffe House, Blenheim Court Warwick Road Solihull B91 2AA	Detail planned agenda items.

Action Table (as at 31 October 2018)

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
0802	28/08/18	1.2	<i>Reference Section 5 Solution – Incentive Charge –</i> Ofgem (JD) to look to provide a view on what should be done with any monies generated via a 0664 solution, and whether a 'neutral' solution is the only viable option.	Ofgem (JD)	Carried Forward
1001	02/10/18		ES and JW to look to further define the transfer of sites process and the costs involved.	Xoserve (ES) Npower (JW)	Closed
1002	02/10/18		Using latest data for the 2 largest Shippers (920 and 212) FC (Xoserve) to evaluate what the impact	Xoserve (FC)	Carried Forward

			is of the Shippers being in Class 3 rather than Class 4 (case study of savings a Shipper may have made by being in the wrong class).		
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